



THE RHODES TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

CONTENTS

	Page
Trustees' Report	2-20
Legal and administrative information	21
Report of the Independent Auditors	22-24
Consolidated Statement of Financial Activities	25
Balance Sheets	26
Consolidated Statement of Cash Flows	27
Accounting Policies	28-32
Notes to the Financial Statements	33-46

The Board of Trustees of The Rhodes Trust (“the Charity” or “the Trust”) present their annual report for the year ended 30 June 2021 under the Charities Act 2011, together with the audited consolidated financial statements for that year.

Further information about the activities of The Rhodes Trust may be found at www.rhodeshouse.ox.ac.uk.

THE RHODES TRUST

Under his Will, Cecil John Rhodes left his residuary estate to his Trustees and Executors with certain defined provisions, including directions concerning awards of Scholarships. Modifications were subsequently made to those directions by the Rhodes Estate Act 1916, by the Rhodes Trust Act 1929, and by The Rhodes Trust (Modification) Order 1976 in accordance with Section 78 (4) of the Sex Discrimination Act 1975 (b).

By The Rhodes Trust Act 1946, The Rhodes Trustees were constituted a body corporate with perpetual succession under the name of The Rhodes Trust and their powers defined. By the same Act other funds and properties deriving from the Rhodes estate were invested in the name of the body corporate and were constituted an aggregate fund called ‘The Public Purposes Fund’ for the charitable purposes set out below.

Under the provisions of the 1946 Act, The Rhodes Trust comprised two funds, subsequently with separate registrations with the Charity Commission: The Cecil Rhodes Trust Scholarship Fund (314119), and the Public Purposes Fund (232492). Following a Uniting Order in 2003 these two Funds filed a single set of accounts until the year ended 30th June 2017. A further charitable fund, The Rhodes Trust Horizon Fund, established under the provisions of the 1946 Act and registered with the Charity Commission in 2014, filed separate accounts until the year ended 30th June 2017. A further linking order was granted by the Charity Commission in June 2018 which brings all three charitable funds under a single charity registration (232492).

GROUP STRUCTURE

The Rhodes Trust (“the Charity”) comprises the three charitable funds: the Public Purposes Fund, the Cecil Rhodes Scholarship Fund, and the Rhodes Trust Horizon Fund, which are linked under charity registration number 232492. In addition, the group accounts include:

- Rhodes House Limited, a trading subsidiary of the Public Purposes Fund, registered at Companies House (06539418), whose principal activity is the hiring out of Rhodes House for functions and events.
- Rhodes Scholarships in Australia PTY Ltd, supporting Australian Scholars and local donors.
- Rhodes Scholarships in New Zealand Limited, supporting New Zealand Scholars and local donors.
- Rhodes Scholarships in Canada, supporting Canadian Scholars and local donors.
- Rhodes Scholarships for Southern Africa Secretariat NPC, supporting South African Scholars and local donors.

All four overseas entities are registered charities in their own jurisdictions.

The Rhodes Trust also receives the local support of the Oxonian India Foundation, a S8 Company registered in India. The Trust has no controlling interest in the Company and it is not consolidated.

OBJECTIVES AND ACTIVITIES

At the broadest level, the charitable objects of The Rhodes Trust are to promote and advance education and other charitable purposes in such ways as are exclusively charitable as The Rhodes Trust in its uncontrolled discretion shall determine. Each of the three component charitable funds has separately defined objects:

The primary purpose of the Cecil Rhodes Scholarship Fund is to provide scholarships to enable students from many countries (including selected countries of the Commonwealth, and from Germany and the United States) to undertake either second undergraduate or post-graduate degrees, primarily at the University of Oxford. The Will of Cecil John Rhodes specified certain numbers and allocations of scholarships. Each scholarship covers both tuition fees and maintenance during the tenure of the scholarship.

The Public Purposes Fund (PPF) has as its objects the promotion or advancement in any part of the British Commonwealth of Nations or in the United States of America of any educational or other charitable purposes in such manner as The Rhodes Trust shall think fit, including giving financial support to individuals, institutions or organisations as will, in its opinion, promote or advance the cultural or social welfare of the people of the British Commonwealth or the furtherance of good relations amongst the various peoples of the British Commonwealth or between those peoples and the peoples of the United States of America. This fund is now constituted by the 1946 Act and has been supplemented by various donor benefactions. Alongside the Cecil Rhodes Scholarship Fund, it now supports a substantial proportion of the scholarships, including those allocated to the various jurisdictions as specified by the Will of Cecil Rhodes. The assets of the PPF include Rhodes House, which is maintained by this fund as a central convening and focal point for all Rhodes Scholars, and for the administration of all activities of the Trust.

The Rhodes Trust Horizon Fund was established in 2014 under the terms of the 1946 Rhodes Trust Act, with very broad objects to promote and advance education and other charitable purposes in any part of the world in exclusively charitable ways. It facilitates the global expansion of the scholarship programme and enables the Trust to enter into international partnerships which assist in advancing cultural and social welfare. The Rhodes Trust Horizon Fund finances new scholarships in countries not covered when the scholarships were originally established by Cecil Rhodes. Its key partnership activities include the Atlantic Institute (2016), the Schmidt Science Fellows (2017) and Rise (2019) (see below).

THE RHODES SCHOLARSHIP PROGRAMME

Prospective Scholars are invited to apply for Scholarships in their country through a standardised, but constituency tailored, on-line system. Each candidate will provide a statement, curriculum vitae, academic record, and references in support of their application, and the documentation is reviewed by the local selection committee. The local selection committee will then select those candidates they wish to interview, and the candidates will attend one or more interviews in the local country. The 2020 selection round was almost entirely conducted remotely, using video conferencing software, as a result of travel restrictions and social distancing measures arising from the COVID 19 pandemic. The successful candidates are then recommended to the Trustees for the award of a Rhodes Scholarship. The award is usually subject to acceptance onto a course of study by a Department or Faculty of the University of Oxford, and by a College. Continuation of the Scholarship is conditional upon continuing academic achievement and satisfactory personal conduct. Each Scholar's progress is monitored in several ways. The Trust receives copies of the University termly reports for each Scholar. At least once a year, each Scholar is seen by the Warden, with additional engagement with the Dean and Registrar.

For the academic year ended 30th June 2021 there were up to 245 Scholars (2020: 212) being fully financially supported whilst a further 12 (2020: 12) were receiving support by the Trust paying 4th year fees. 106 new Scholars have started their programme in Oxford in October 2021 (2020: 99).

OTHER PARTNERSHIP ACTIVITIES

The Mandela Rhodes Foundation

The Mandela Rhodes Foundation (MRF) is one of Nelson Mandela's three official legacy organisations, founded in 2003 in partnership with The Rhodes Trust. Its purpose is to build exceptional leadership capacity in Africa. MRF provides young leaders from across the continent with a one- to two-year scholarship to study at universities in South Africa and to participate in a residential Leadership Development Programme. The MRF is independent of Rhodes Trust, but half its Trustees are nominated by the Rhodes Trust and include one current Rhodes Trustee and the Warden. The Rhodes Trust receives regular reports on its activities.

The primary commitment of the Trust to the Foundation has been the benefaction of £10 million over 15 years, to provide an initial endowment and to meet the running costs of the Foundation. This commitment was fully settled in the year ending 30th June 2019.

Since its founding in 2003 MRF has provided scholarships to over 500 Mandela Rhodes Scholars from 30 African countries. 18 MRF Scholars have also gone on to win Rhodes Scholarships.

The Trust is currently working with the MRF on a joint Memorandum of Understanding towards a long term collaborative arrangement, with particular emphasis on our joint ambitions to support African students and promote leadership for positive social impact on the African continent.

The Atlantic Institute

In June 2016, the Trust entered into a partnership with the Atlantic Philanthropies to support the existing Rhodes Scholarships, and host a new international network of Atlantic Fellows at the Atlantic Institute at Rhodes House. Atlantic Fellows are mid-career leaders from a wide variety of backgrounds and disciplines, and share a common focus on creating fairer, healthier, more inclusive communities and societies.

The Atlantic Institute:

- Provides thought leadership and support for collaboration to seven Atlantic Fellowship programmes across the globe (Australia, South Africa, South East Asia, UK, USA), whose purpose is to accelerate the eradication of inequities for fairer, healthier and more inclusive societies.
- Supports the global community of alumni from these seven programmes in life-long learning and collaborative work; this community is expected to number over 2,000 by 2030.
- Is playing an active role in facilitating a “fellowship of fellowships”, supporting connection and collaboration by leaders from a range of programmes, including the Rhodes Scholarships and the Schmidt Science Fellows.

In 2020 and 2021 the Institute responded to the impact of the COVID 19 pandemic by providing targeted ‘Solidarity Grants’ to support the work of Fellows in vulnerable communities. 44 such grants were awarded in the financial year ended 2021, and videography was commissioned for 25 of the projects.

Schmidt Science Fellows

Schmidt Science Fellows is an initiative of Schmidt Futures, delivered in partnership with the Rhodes Trust. Schmidt Futures was founded by Eric and Wendy Schmidt. The Schmidt Science Fellows Program vision is a world where interdisciplinary science flourishes without limit, accelerating discoveries to benefit the world, and driving innovation that improves quality of life for all.

The program aims to support an acceleration of interdisciplinary science by

- identifying, developing, and amplifying the next generation of interdisciplinary science leaders
- building a community of scientists and supporters of interdisciplinary science, and
- utilising the Schmidt Science Fellows network, convening power, and profile to drive sector-wide change.

The fourth year cohort of 28 Fellows were selected in April 2021 using a virtual selection process, bringing the total community to 84 Fellows.

The operations teams for both the Atlantic Institute and Schmidt Science Fellows programmes are principally based with the Rhodes Trust's team at Rhodes House in Oxford.

Rise

Rise is a partnership between The Rhodes Trust and Schmidt Futures. Rise's mission is to increase opportunity for exceptional young people worldwide by supporting them to serve their communities throughout their lives.

Rise is global and seeks young people between the ages of 15 and 17. The programme is designed to encourage a lifetime of service and learning through scholarships, career services, and funding opportunities to help these potential leaders serve others for decades to come. The programme also seeks to build a lifelong community of students, teachers, and institutions across service orientated sectors.

Each Rise Finalist will receive targeted educational support to an agreed value, and Winners will receive a lifetime of programmatic, need based financial and other personalised support aimed at ensuring they are able to deliver social impact throughout their lives.

Following a virtual selection process, the first cohort of 100 Winners from 42 countries will be announced in October 2021.

PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011, to have due regard to the guidance issued by the Charity Commission on public benefit.

The Trustees consider that the provision of scholarships for the advancement of education, stipends for science leaders, and the development of collaborative leadership skills and other educational support across all the partnerships offer public benefit.

TRUSTEES

The Rhodes Trust Act 1946 incorporated the Trustees as a body corporate with perpetual succession.

The present Trustees, and any past Trustees who served during the year, are given below.

The Trustees are responsible for ensuring adherence to the Trust's objectives. They define strategy and policy and decide on all matters that affect the general operation of the Scholarships and all other partnership activities of the Trust. The Warden is the Secretary to the Trustees and Chief Executive Officer of the Trust. She presents the Trustees with proposals for action, implements policies, and makes decisions on individual Scholars as well as exercising a general pastoral function for Scholars in residence. She also maintains relationships with the Rhodes community worldwide and, along with the senior management team, is responsible for the day-to-day administration of all the operations and partnerships of the Trust. Each partnership is governed independently by its own governing board, which comprise individual Rhodes Trustees, members of the Senior Leadership Team, and members of the external funding body.

The Trustees, all of whom held office throughout the whole of the year ended 30 June 2021, unless otherwise stated, were:

Professor Sir John Bell GBE (Chairman)
Professor Dapo Akande
Mr Andrew Banks
Mr Douglas A. Beck
Ms Neeti Bhalla

Professor Elleke Boehmer
Mr Mike Fitzpatrick
Dame Helen Ghosh DCB
Mr Donald Gogel
Mr Glen James
Dr Tariro Makadzange
Ms Swati Mylavarapu
Professor Karen O'Brien
Mr Chris Oechsli
Dr Catherine O'Regan
Mr Dilip Shanghvi (to 1st January 2021)
Mr Peter Stamos
Mr Robert Sternfels
Judge Karen Stevenson

Past Trustees who have agreed, because of their long service and contribution to the Trust, to serve as Emeritus Trustees in an advisory capacity, and who receive papers and attend meetings include the following:

Mr Michael McCaffery (Emeritus)
Mr Julian Ogilvie Thompson (Emeritus – up to 6th March 2020)
Sir John Hood KNZM (Emeritus)
Mr John McCall MacBain O.C. (Emeritus)
Mr John Wylie AM
Mr Dominic Barton
Mr Nicholas Oppenheimer
Professor Ngaire Woods CBE

Details of the members of the individual committees of the Trustees are available on the Trust's website at www.rhodeshouse.ox.ac.uk.

In accordance with the Will of the Founder, the Rhodes Trustees are responsible for the strategic direction of the Trust in all of its aspects. Certain of the Trustees currently hold appointments within the University of Oxford and its constituent colleges, although all serve in their personal capacity. The Trustees consider that the smooth operation of the Trust is facilitated by some of their number holding appointments in the University. At the same time they are mindful of potential conflicts of interest and procedures are in place to guard against any such conflicts.

Trustees Training

The Trustees are very supportive of training for any Trustee. Each Trustee receives the Charity Commission guidance CC3 'The Essential Trustee'. The Trustees, all drawn from the senior levels of business, industry, and academia, are normally familiar with the responsibilities of a Trustee.

Before any appointment, a prospective new Trustee will have been identified, carefully considered by the Governance Committee of the Trust, and a discussion held at a Trustees' meeting. He/she will subsequently be interviewed by the Chairman and the Warden, and usually the Chairman of the Governance Committee, to confirm their suitability as a Trustee, and that there are no conflicts of interest with the Trust. From these meetings any training needs will also be identified. Assuming the Chairman, Warden, and Governance Committee find the person suitable, the Board will formally pass a resolution for their appointment at their next meeting.

A full trustee induction programme is given to all trustees at the start of their term of office, including presentations from the Warden and members of the Senior Leadership Team across every aspect of the Trust and our partner organisations.

GOVERNANCE AND MANAGEMENT

The Trustees noted the publication in 2017 of the Charity Governance Code and undertook a review of the Trust's governance approach and procedures against the code during the year, and judged that the Trust was satisfactorily applying the principles of the code, and also with the changes introduced in the update of 2020, most notably the principle of Equality, Diversity and Inclusion. This principle is a central tenet of its core values, and of its strategic plan, and an understanding of the responsibilities and impact of the historic Rhodes legacy forms a significant part of the programmatic support for Trustees, Scholars and staff. During the year to 30th June 2021 all members of staff were invited to undertake a programme of shared learning workshops on Diversity, Equity and Inclusion led by the Warden, staff and external consultants.

Organisational management

The Rhodes Trust is governed and administered globally by four bodies: the Trustees (including committees), the Warden, National Secretaries, and Trust staff. Together, these bodies provide the framework within which Scholarship promotion, Scholar selection, alumni outreach, fundraising, and other new partnership activities of the Trust take place. For its operation, the Trust depends crucially upon volunteers in alumni bodies, selection committees, and fund-raising, and is very grateful for their contributions.

The Committee responsibilities are as follows:

1. Audit and Risk Committee

The Audit and Risk Committee advises the Trustees on all aspects of risk management: identification, mitigation and response. The Committee determines whether there is a need for an annual internal audit of the Trust's financial operations, appoints the external auditors, and receives the external audit report on behalf of the Trustees.

2. Finance and Investment Committee

The Finance and Investment Committee advises the Trustees on all aspects of investment policy, strategy, investment risk management and controls. It liaises with external asset managers to ensure effective asset allocation and investment. The Committee reviews the budget and monitors expenditure against it.

3. Governance Committee

The Governance Committee advises the Trustees and the Warden on governance arrangements, Trustee and staff evaluations, related governance and management issues, and oversees the process of shortlisting for Trustee positions, including the Chair of the Trustees.

The Committee supports the Chair of Trustees in facilitating the process by which Warden and senior staff set annual priorities and key performance indicators, and advises the Chair of Trustees in evaluating the Warden's performance annually against established priorities and indicators, as well as setting the Warden's salary.

4. Campaign Committee

The Campaign Committee advises the Trustees and Warden on development strategy and leads the fundraising efforts of the Trust, including participation in defining public messaging around capital campaigns, annual fundraising, and the bequest programme, as well as leading the fundraising efforts of the Trust through personal financial contributions, recruiting volunteers and monitoring overall execution of the development strategy.

5. Academic Committee

The Academic Committee offers advice to the Warden and the Trustees on all aspects of what is necessary to ensure that the Rhodes Scholarship remains in perpetuity a scholarship of the highest quality and

standing, as well as issues related to the Trust's relationship with the University of Oxford and its divisions and departments, and on matters relating to individual Scholars, including progression to DPhil.

It offers advice to the Warden concerning which degrees to finance, Scholarship numbers and distribution across programmes, and monitoring performance of the Scholarship, and setting performance goals and indicators where appropriate.

6. Scholarship Committee

The Scholarship Committee advises the Warden and the Trustees on all aspects of what is necessary to ensure that the Rhodes Scholarship remains in perpetuity a scholarship of the highest quality and standing, especially with regard to matters of Scholarship distribution, Scholar selection, and external perception of the Scholarships.

7. Building Committee

The Building Committee advises the Trustees on the feasibility, design and implementation of the redevelopment of Rhodes House, and receives reports from the Building Control Group on progress and detailed developments as the building work progresses, as well as approving design and budget expenditure requests above predetermined limits.

8. Remuneration Committee

The Remuneration Committee was constituted in 2021, and comprises the Chairs of the Board, Audit and Risk Committee, Finance and Investment Committee, and Governance Committees supplemented by UK based Trustees with relevant experience. A remuneration specialist will be co-opted onto the Committee.

This Committee is responsible for determining and overseeing the remuneration of the Senior Leadership Team and the implementation and delivery of the Human Resources Strategy.

In addition to the above committees, the partnership activities of the Atlantic Institute, Schmidt Science Fellows and Rise are governed jointly by the Atlantic Institute Governing Body, and the SSF and Rise Program Joint Committees respectively, all of which include representation from the partner funder, the Warden and members of The Rhodes Trust's Senior Leadership Team.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and the group and of the incoming resources and application of resources of the Trust and the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011, applicable accounting regulations and the provisions of the Will and subsequent

applicable legislation. They are also responsible for safeguarding the assets of the Trust and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Trust and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

SENIOR MANAGEMENT AND REMUNERATION

Key management personnel are the trustees (who are not remunerated) and the senior management team as follows:

Dr Elizabeth Kiss:	Warden and CEO
Peter Anderson:	Chief Operating Officer and Chief Financial Officer
Dr Doyin Atewologun:	Dean of the Rhodes Scholarship
Mary Eaton:	Director of Scholar Affairs and Registrar
Rodolfo Lara Torres:	Director of Global Engagement and Programmes
Babette Littlemore:	Director of Communications (Maternity leave from 16th August 2021)
Ben Russell:	Director of Communications (Maternity cover from 16th August 2021)
Louise Dearnley:	Director of Selection and Outreach
Yvonne O'Brien:	Executive Director of The Atlantic Institute
Dr Megan Kenna:	Executive Director of the Schmidt Science Fellows

The remuneration structure of the senior management team is determined by regular benchmarking of appropriate remuneration against equivalent reward structures available within the collegiate university and external appropriate salary and benefits paid for equivalent roles.

Recruitment consultants are employed as part of the senior executive search and their advice is sought on appropriate rewards required to attract the best candidates for the roles.

The remuneration of the Warden is determined by the Governance Committee, as advised by the Remuneration Committee, and her performance is evaluated annually.

All senior staff receive ongoing performance management and an annual appraisal which provides feedback from the Warden or line manager about how they have contributed to the achievement of the Trust's strategy and any personal development areas they may have.

The remuneration of other staff is determined by their line managers in consultation with the Warden. The Remuneration Committee is responsible for advising the Warden and Trustees on overarching pay policy.

VOLUNTARY WORKERS

The Trust is very fortunate in being able to draw upon a number of overseas volunteers who administer the Scholarship selection process and serve on the selection committee in their respective countries at little cost to the Trust. These volunteers are drawn from the ranks of the community of Rhodes Scholars, and from a much wider community of men and women prominent in public life and across all of the professions in their respective countries. The Trustees recognise and acknowledge with gratitude the considerable contribution made by these volunteers to the successful administration of the selection of Rhodes Scholars across the world.

The Trust is also very fortunate to benefit from the work of many volunteers in its alumni activities, and in helping to guide and encourage philanthropic support for the Rhodes Scholarship, as well as in the governance of the Trust.

A recent example was the Rise selection process which was supported by over 200 volunteer selectors drawn from across the Rhodes Community, including 65 Rhodes Scholar alumni.

FUNDRAISING

The fundraising activities of the Charity are directed at the community of Rhodes Scholars, current and former, and to philanthropists, foundations and organisations that share our mission or which have an interest in the strategic projects or geographic constituencies in relation to which we are seeking to raise funds. No direct approaches are made to the general public or to vulnerable persons. Our fundraising staff are employed directly or on a consultancy basis in the UK and overseas, and make every effort to comply with all appropriate legislation to the extent that it is applicable to the activities of the Trust, in compliance with the Fundraising Regulator's voluntary regulation scheme and the Charities (Protection and Social Investment) Act 2016, and with our internal Global Engagement Team Policies and Protocols. No complaints have been received and our Campaign Committee oversees our adherence to legislation and policies.

ACHIEVEMENTS IN THE YEAR

The Trust is working towards the implementation of the 125th Anniversary Strategic Plan, approved by the Trustees in June 2019, with the ambition that by its 125th anniversary in 2028, the Rhodes Scholarship will be:

The world's **preeminent graduate fellowship**, known for

- world-class global **Selection and Outreach** processes that identify the next generation of public-spirited young people committed to solving humanity's challenges;
- an excellent **Scholar Experience** that enables students from all over the world to take full advantage of the rich opportunities on offer in Oxford while participating in a signature peer learning programme focused on character, service and leadership;
- a vibrant **Lifelong Fellowship** that meaningfully and measurably contributes to Scholars learning, service and impact across every stage of their lives and careers and that fosters cross-generational mentoring and support.

This year's key objectives and achievements against those objectives, accomplished within a second year significantly impacted by the COVID 19 pandemic, which further the legal purposes of the Trust are summarised below:

Selection and Outreach

- Improvements to governance, including the development and implementation of a Volunteer Code of Conduct, a Disciplinary Policy and Complaints Procedure and a Conflict of Interest Policy.
- The launch of the Rhodes Trust Outreach Ambassadors Programme following a successful pilot in 2020, which has already led to increased application numbers in the pilot constituencies.
- A move to entirely virtual selection (due to the pandemic), and the development of best practice, guidance and training to help constituencies successfully run their selection processes online.
- Recruitment of new National Secretaries for Zambia, Zimbabwe, Kenya, Jamaica, Commonwealth Caribbean and East Africa, as well as a number of Deputy National Secretaries.

Scholar Experience

- Dean of Scholarships, Dr Doyin Atewologun, joined the Trust in June 2020 and Dr J Daniel Luther as Scholar Programme Manager in August 2021 to continue to strengthen our programming and support structure for scholars in residence. Dr Atewologun has also worked closely with the Warden, HR and other colleagues to lead the staff Legacy, Equity & Inclusion programme.
- Stipend extensions were awarded to 17 Scholars whose DPhil courses were extended, or research delayed due to COVID 19. These costs were met by the provision set aside in the year ended 30th June 2020 for the commitment to support additional costs arising from the disruption arising to

Scholar studies over the next 3 academic years from COVID 19. Notably 32 Scholars will be supported in this way through 2021/2.

- Scholars' needs with respect to compliance with international travel restrictions were supported in many ways, including the financing of quarantine hotels when required.

Lifelong Fellowship

- While we have not been able to host in person events or reunions during the time of COVID and the building project at Rhodes House, we have pivoted to a digital mode of working that has enabled the Trust to engage with a larger number of alumni across constituencies and class years. In 2020/21 over 1,300 Rhodes Scholars connected at least once in the virtual reunions and talks that the Trust hosted, including fireside chats with Prof John Edgar Wideman (Pennsylvania & New College 1963), sessions with Trustees on the finances and structure of the Trust, and alums and class reunions from the 1950s to the 2010s.
- The Rhodes Scholar survey was completed by roughly 25% of living alums, and will provide inputs to our programme of activities, including Legacy, Equity and Inclusion, and help us better serve the community in future.
- The new Rhodes digital community "Rhodes Connect" was rolled out to Scholar Alums in June 2021. Almost 1,700 members are already active in the community, and have signed up to interest groups and groups linked to their election years.
- Planning is underway for the launch, in conjunction with an Oxford graduate College, of a curated, cohort-based programme focused on purpose, reflective leadership and service aimed at participants with significant life and work experience.
- The Lifelong Fellowship team is now complete with the recent arrival of Sorina Campean as Head of Lifelong Fellowship, and Helen Nicholson as Alumni Relations Manager. They will be responsible for the design and delivery of a programme of curated activities and events geared towards the needs of the global Rhodes community.

Atlantic Institute (AI)

- The AI fully implemented the strategic review including the on-boarding of 9 new staff members drawing in expertise in data insight analysis, strategic partnership development, community building, evaluation, grants and funding, and augmented and virtual realities.
- We successfully pivoted to a virtual existence with the adoption of new platforms and emerging technologies (augmented and virtual realities) to diversify programming for global Fellows and program staff during COVID.
- We delivered a suite of on-line webinars and events for fellows and staff as well as fellowship of fellowship partners (Obama Fellows, Roddenberry Fellows, Schmidt Science Fellows and The Trust).
- We implemented new approaches to community building across the AI community including the redesign of our online HUB, Fellow Affinity Groups and grants.

Schmidt Science Fellows

- Schmidt Science Fellows successfully maintained and developed its operations through a complete shift to online delivery, including selection of the 2021 cohort of Fellows and subsequent onboarding, Global Meeting programming, and alumni engagement.

The Rhodes Trust

Trustees' Annual Report

For the year ended 30 June 2021

- Announcement by Schmidt Futures and The Rhodes Trust of their commitment to continue the Schmidt Science Fellows program, with a goal of continuing for at least five years and potentially much longer.
- Development and implementation of a five-year Strategic Plan to guide the Program through to 2025, including a commitment to explore and develop new initiatives to remove obstacles to interdisciplinary science and discovery more broadly.
- Growth in the Schmidt Science Fellows community to 84 Fellows, across four cohorts of active and Senior Fellows (alumni), and a successful on-boarding of the 2021 Fellows, including to placements at new host institutions such as the Swiss Federal Institute of Aquatic Science and Technology, Max Planck Institute, and Imperial College London.

The Mandela Rhodes Foundation (MRF)

- Under the leadership of CEO Judy Sikuza, MRF has completed a rebranding process and launched a strategic plan focused on geographic expansion, alumni engagement, and thought leadership
- MRF is conducting selection virtually in 2021 as it did in 2020. Since 2003, 558 MRF Scholars have been selected from 30 African countries, with 25 countries still to go to reach the goal of having MRF Scholars from every country on the African continent. Outreach efforts are underway with a focus on 12 priority countries.
- MRF has launched a number of programmes to engage its alumni. One of these is the Äänit Prize, created through a gift from Rhodes Scholar David Cohen (South Africa-at-Large & Balliol 1983). It is an entrepreneurship prize open to MRF and Rhodes alumni from the classes of 2005 to the present whose efforts are focused on social impact on the continent. The first group of Äänit Prize winners will be announced by the end of 2021.
- Rhodes and MRF Trustees are developing a new Memorandum of Understanding to guide the next chapter of the partnership.
- Plans are underway for a twentieth anniversary celebration for MRF in 2023, which will also mark the 120th anniversary of The Rhodes Trust.

Rise

- The first phase of the Rise selection process commenced in November 2020, with 10,000 completed and eligible applications admitted to the second phase by February 2021. Applicants completed four challenges, peer review, a puzzle quiz, and a written project summary, with the process carefully designed to be age and context specific. Algorithmic analysis of over 3,000 students surfaced 2,000 candidates for further evaluation by expert evaluation, resulting in the identification of 500 Rise finalists.
- 203 volunteer selectors supported the selection day process, which took place every Saturday in June 2021, in some cases with significant logistical support to ensure digitally disadvantaged applicants were fully able to access the selection day activities.
- Following an exhaustive final review process by the Rise Board, 100 Rise winners have been selected to be announced in October 2021.
- The senior management team has been strengthened by the arrival of the Executive Director, Wanjiru Kamau-Rutenberg on 1st June 2021 and Rhodes Scholar Muloongo Muchelemba (Zambia and Harris Manchester 2002) as Director of Selection on 1st August 2021.

Global Expansion

- The Trust raised a total £12.7m in endowment for the support of new Scholarships in China, East and West Africa and Saudi Arabia.
- Africa is a focus area of our fundraising efforts, and for this region alone, we were able to raise £7.9m, which will allow us to select additional Scholars from West and East Africa in the coming years.
- This capital raised includes four successful applications made to the Oxford University Graduate Endowment Matched Scholarships (GEMS) scheme for West Africa and for China.
- The team also raised flow funding to support the Scholarships in East and West Africa, securing gifts from individuals and corporates amounting to £430k, to be utilised in anticipation of securing full endowment funding.

Resources

- Despite the potential challenges of fundraising during a year of such financial uncertainty, the Scholars Fund target of £1.2m was met. This annual fundraising is essential to maintain and enhance the sustained excellence of the Rhodes Scholarships.
- The extensive development of Rhodes House is underway, following the granting of planning permission by Oxford City Council on 11th August 2020. Beard Construction Ltd were appointed as main contractor, and the works remain on budget, with an anticipated completion date of early 2023.
- The development phase of the digital transformation project is largely complete, with key phases of work successfully completed. Incremental developments will be managed internally by the newly established Salesforce expertise within the expanded IT department.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The audited accounts for the year ended 30 June 2021 have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (Charities SORP FRS102), as well as the requirements of the Charity Commission Total Return Order, and accompany this report. The independent auditors' report is given on pages 22 to 24 and the principal accounting policies adopted by the Trust are set out pages 28 to 32. The results for the year are presented in the Statement of Financial Activities and the Balance Sheet represents the combined assets and liabilities of all the funds within The Rhodes Trust.

At 30 June 2021 the Trust's net assets were £546.6m (2020: £475.6m) an increase of £71.0m for the year. Total resources expended during the year were £28.9m (2020: £28.8m), with planned expansion of activities of the Atlantic Institute curtailed by pandemic restrictions. The direct and indirect cost of the Scholarship programme was £17.9m (2020: £16.8m).

The Trust's trading subsidiary, Rhodes House Limited, broke even in the year, with severely restricted activities in light of the pandemic and construction activities at Rhodes House. It contributed £30k (2020: £122k) to the Trust in respect of rent, management charges and gift aided profit. The Trustees reduced the rent charged in the year, in light of the fact that the building was not available for commercial event activity.

The Trust's Australian subsidiary, Rhodes Scholarships in Australia Pty Ltd, received donations of AUS \$235k (£128k) (2020 AUS \$9.2m (£5.1m)) for the support of Australian scholars. Australian Endowment Funds are invested in the Trust pooled investment portfolio and amounted to £15.2m at 30th June 2021 (2020: £13.2m). This increase in value is due to the positive investment return in the year.

The Canadian subsidiary, Rhodes Scholarships in Canada, received donations of CAD \$0.7m (£0.4m) (2020: CAD \$0.7m (£0.4m)) for the support primarily of Israeli scholars. Canadian Endowment Funds are invested in the Trust pooled investment portfolio and amounted to £3.6m at 30th June 2021 (2020: £2.8m).

INVESTMENT POLICY AND PERFORMANCE

The powers of the Trustees by which they are governed, including the powers of investment, are set out in clauses 10 to 13 of the Rhodes Trust Act, 1946.

The strategy of the Trustees continues to be to manage the assets in such a way as to ensure the continuance of the Trust in perpetuity. It is the aim of the Trustees to restrict capital risk through diversification and to try to maximise total return through capital appreciation or by income generation depending upon economic conditions.

In order to optimise future investment performance, following the adoption of a Total Return investing basis on the authority of a Charity Commission Order, the Trustees adopted a policy of investment pooling under the authority of the Trustee Act 2000 with effect from 30 June 2007.

The investments of the Trust are held in a range of investment vehicles to manage return and risk. The Pooled Endowment Investments portfolio comprises cash, investments in the Oxford Endowment Fund (a unitised investment fund), private equity funds, corporate bonds, fixed income funds and hedge funds.

During the year, the Investment Committee continued to manage asset allocation and liquidity through the use of the Rainy Day Fund, managed by Barclays, within the Pooled Endowment Investments portfolio. At 30th June 2021 17% of the Pooled Endowment Investments portfolio was managed by Barclays (2020: 19%), 75% in the Oxford University Endowment Fund (2020: 79%), and 1% in legacy private equity holdings and 7% in cash (2020: total 2%).

During the 12 months to 30th June 2021, the capital value of the Trust's pooled investment portfolio (including short-term deposits) increased from £359m to £415m, including £67.9m of realised and unrealised gains on the investments and £7.2m of donations invested in the year. This represents a substantial recovery of value following the significant fall in March 2020. This recovery clearly meets the investment performance objective of a real return (ie after inflation) by delivering a real return in excess of 12%. The Trust successfully managed its asset allocation to respond to market volatility.

The separately managed and ring fenced portfolios held by Barclays for the Capital Project Fund and the Atlantic Short Term Funds are invested in accordance with mandates that are appropriate to their term. Performance of the Capital Project Fund is largely protected from market volatility as it is invested in capital preservation assets of cash and bonds. A rump of Atlantic Institute Funding still held in the Pooled Endowment Investments portfolio and valued at £12.1m as at 30th June 2021 has benefitted from the 12% real return noted above, and the Short Term Funds held with Barclays provide quarterly reimbursement funding for the activities of the Atlantic Institute, whilst ensuring reasonable investment returns through asset allocation weighted 73% to risk assets.

TOTAL RETURN ACCOUNTING

The Charity Commission issued a Total Return Order (The Order) for the Cecil Rhodes Trust Scholarship Fund on 30 March 2007. The Fund was valued at the time of the Order at £30.4m, using cash and sundry assets, investment properties, and investments at cost at 1 July 1989, together with uplift from cost to market value of the last two categories.

Under this Order the Trust adds together the capital gains, losses and income for the year and determines the allocation between capital and income, and the total return is allocated to the Unapplied Total Return (UTR) Fund.

In 2014 the Trustees determined that the draw down on the Cecil Rhodes Trust Scholarship Fund be set at 4% of the fund value, to preserve the long term capital value of the endowment (in real terms) whilst

balancing the needs of current beneficiaries. In 2018, the Trustees approved the amendment of the draw down rate to mirror the rate being applied in the transfer to income from the expendable endowment funds. This rate is currently 4.5%.

The balance on the Scholarship Fund at 30 June 2021 was £54.4m (2020: £47.7m). The details of the movements are disclosed in Note 22.

RESERVES POLICY

Total funds of £546.6m at 30 June 2021 comprise Endowed Funds of £425.5m (2020: £344.1m), Restricted Funds of £115.9m (2020: £127.5m), and £5.2m (2020: £4.0m) of Free Reserves as defined by the Charity Commission. The Trustees authorised the re-classification of the Atlantic Scholarship Fund, valued at £25.4m, from restricted to endowment fund as at 30th June 2021, in order to better reflect the substance and intent of the original gift. This is shown as a transfer between funds in these financial statements.

The Trustees monitor carefully the allocation of investment returns from the endowment to income so that the Trust can meet its expenditure needs. The purpose is to limit expenditure to a level that can be sustainably funded by investment returns above inflation, thereby maintaining the real value of the endowment in perpetuity and ensuring inter-generational equity. This is reviewed each year and implemented via the annual budget which is approved at the June Trustee Board meeting.

Unrestricted reserves are held in order to ensure that the Trust is able to meet any expenditure that cannot be met from funds given explicitly to fund specific scholarships or activities. It is thus the policy of the Trustees to increase the funds held in the Public Purposes Income Fund, in order to support the working capital needs of the operations of the Trust, by way of increased gift aided profits from Rhodes House Ltd that will be generated by the forthcoming conference and accommodation centre, and by the generation of operational surpluses. The Public Purposes Capital Fund can be used to support any activity undertaken by the Public Purposes Fund, but is largely invested and thus not fully available to fund working capital. The Trustees have considered the level of free reserves at 30th June 2021 and are satisfied that they are sufficient to meet the Trust's present needs.

The Horizon Fund includes deficit unrestricted funds of £1,887k (2020: £1,584k) arising from the provision for future Scholar costs. The provision is initially charged to unrestricted funds. The costs are then charged to the appropriate fund as they fall due for payment.

RISK MANAGEMENT

The Trustees have a formal risk management process to assess, annually, business risks and implement risk management strategies, led by the Audit and Risk Committee which reports to the Board of Trustees at least three times per annum. This has involved identifying the types of risks the Trust faces (including Governance and Management, Academic and Pastoral, Human Resources, Operational, ICT, Commercial, Development, Construction risks), prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Trustees have reviewed the adequacy of the Trust's current internal controls and the costs of operating particular controls relative to the benefits obtained. Procedures have been established for reporting failings immediately to appropriate levels of management and to the Trustees.

The key risks identified by the Trustees are:

1. The risk that the financial performance of the Trust's investments is insufficient to meet the Trust's financial commitments.

The endowment investment portfolio is overseen by The Rhodes Trust Finance and Investment Committee which is comprised of Trustees and other senior investment professionals. The Committee reviews investment strategy, asset allocation, performance, liquidity and risk three times per annum, or more frequently as required.

The majority of the Trust's assets are managed by Oxford University Endowment Management (OUEM) in a globally diversified, strategic asset allocation based portfolio. OUEM was founded by Oxford

University, with input from the Trust, in 2007 to create a unitised endowment portfolio managed full time by OUEM professionals with appropriate fiduciary oversight. The investment process and governance of OUEM are based on the best practices of top global endowments and foundations. The Rhodes Trustees consider that the OUEM investment portfolio and programme are well suited to the Trust's long term investment objectives, and is adequately diversified.

Alongside the investment in OUEM, the Committee oversees a complementary portfolio, managed by Barclays plc, with a shorter duration mandate focussed on liquidity, to manage the risk posed by the illiquidity of the endowment portfolio in a market downturn.

2. The Scholarship loses its reputation as the world's leading scholarship. This could arise, e.g., through damaging incidents, or through the financial offer of other Scholarships more conspicuously eclipsing Rhodes.

The Academic Committee maintains an active review of:

- benchmarking financial support for Scholars on stipend via an annual review of similar scholarships;
- an annual Scholar engagement survey;
- global brand management through a regular website refresh; and
- rigorous and refreshed Scholar selection processes.

The Trust continues to invest in developing the Character, Service and Leadership programme attended by all first and second year Scholars, led by the Warden and Dean of Scholarships, and supported by current and Senior Scholars and distinguished guest speakers.

The Trust has a public relations strategy and escalation procedure for media engagement with the engagement of external advisors as necessary, and engaged branding consultants in 2021 to consider the international positioning of the Rhodes Trust in philanthropic and charitable circles.

The Scholarship Committee has established a review process with respect to Scholars Elect, before the awarding of the Scholarship is confirmed, and continues to support selectors in order to ensure the continued excellence of Rhodes selection processes.

3. Failure to identify or support serious mental health issues.

The Trust has strong pastoral care arrangements in place under the close supervision of the Warden, Registrar, and the Dean of Scholarships. They engage regularly with all Scholars and look out for any signs of difficulty that Scholars may be encountering with their work or personal issues.

A separate panel of counsellors is in place to support Scholars with differing needs, and the Trust provides financial assistance via the Scholar Support Fund for expert counselling and ad-hoc hardship funding.

The Warden and Trustees continue to work with Oxford University to offer high quality support for Scholars.

4. The Rhodes House Capital Project, in which the premises are being substantially developed, fails to deliver the world class facilities envisioned, and is unable to generate the commercial returns anticipated.

The Building Committee and the Building Control Group continue to provide strategic and operational support to the management of the project, led by the Director of Estates. The construction work has been able to continue throughout the pandemic with limited disruption from labour and materials shortages. The asbestos removal and archaeological investigations have concluded on time and budget.

A Rhodes House Conference Centre Launch Planning group will meet quarterly in the 15 months prior to completion to ensure coordinated planning takes place across all operational departments. The Director of Estates has supplemented his existing team with an additional experienced hire to support the pivot to the phase post completion of construction.

5. The investment in the digital transformation of Rhodes Trust systems fails to deliver the anticipated operational and community benefits, and associated data security risks are inadequately managed.

A Data Governance Group comprising key staff will report directly in to the Audit and Risk Committee. The IT team has been expanded to bring in house expertise in the Salesforce software that has been developed in conjunction with an external partner over the last 2 years. An experienced Head of IT was appointed in late 2020, bringing expertise and focus to this area of risk management.

FUTURE PLANS

The 10 year strategic plan that was approved in 2019 addressed the following four principal themes:

1. Selection and Outreach

By 2028 the Rhodes Scholarship will enhance its position as the world's most respected and prestigious graduate fellowship, known for world-class global outreach and selection processes that identify the next generation of public-spirited young people committed to solving humanity's challenges.

The key priorities for achieving this goal:

- Invest in broader and deeper outreach efforts; leverage our Scholars through an Ambassadors Programme
- Explore and learn from good practices in other scholarships & educational institutions
- Ensure the integrity of selection
- Improve selection processes and governance: implement training for selectors; diversify our selection committees; increase transparency of the role of selectors; install term limits for selection committee members.

2. Scholar Experience

By 2028 the Rhodes Scholarship will enhance its globally competitive position among graduate scholarships by ensuring parity in and excellence across all dimensions of the experience for all Scholars.

The key priorities for achieving this goal:

- Support Scholars from all over the world to take full advantage of the rich opportunities on offer in Oxford
- Offer a distinctive experience focused on character, service and leadership that facilitates cohort dynamics of peer learning, reflection, critical reasoning and collaborative problem-solving and builds a strong community of moral engagement and mutual support
- Connect Scholars to alumni for academic and career support and mutual inspiration for service, leadership and impact.

3. Lifelong Fellowship

By 2028 the Rhodes Scholarship will become a vibrant lifelong fellowship that meaningfully and measurably contributes to Scholars learning, service and impact across every stage of their lives and careers and that fosters cross-generational mentoring and support.

The key priorities for achieving this goal:

- Rhodes Scholars will achieve an 80% level of active and consistent annual community engagement and will be committed to collaborating to help solve important issues

The Rhodes Trust

Trustees' Annual Report

For the year ended 30 June 2021

- The Rhodes Trust will support this lifelong community through volunteer and service opportunities, thematic engagements and a character, service, leadership curriculum suited to different stages and interests of a Rhodes Scholar's life
- Rhodes Scholars will take an active role in the 'fellowship of fellowships', supporting connections and joint activities across programs under the umbrella of the Rhodes Trust: Atlantic Fellows, Schmidt Science Fellows and Mandela Rhodes Scholars.

4. Global expansion

By 2028, the Rhodes Scholarship will achieve the 125th anniversary goal of 125 endowed Rhodes Scholarships per year, available to students all over the world, by adding 25 new funded Rhodes Scholarships and securing endowment for 4 currently "flow" funded Scholarships. It will become a more diverse, collaborative and impactful global community by supporting and connecting the Atlantic Fellows, Schmidt Science Fellows, Mandela Rhodes Scholars and additional partner programmes over time.

The key priorities for achieving this goal:

- Phased expansion to include doubling up in single Scholarship jurisdictions
- Deepening in existing geographies
- Adding new jurisdictions
- Expanding number of global Scholarships offered
- Launch of a £200m supporting fundraising campaign.

The Strategic plan also considered the impact and resources required.

Impact

The Trust is committed to finding innovative ways to answer the question: "how is the world different and better because of the Rhodes Trust?"

The key priorities for achieving this goal:

- Measuring the efficacy and impact of the work of The Rhodes Trust itself as an organisation.
- Measuring the impact that winning a Rhodes Scholarship has on an individual. In a recent survey over 80% of respondents said that The Rhodes Scholarship had an extremely significant impact on their life.
- Assessing the impact that Rhodes Scholars themselves have – as individuals, as a community and through their collaborative efforts.

Confronting/Embracing/Responding to Legacy

Over the six months to June 2021, working alongside our core partners and alumni associations, we have launched a number of activities and initiatives focused on legacy, equity, and inclusion:

- Raised over £5m from a coalition of donors to endow a second West Africa Scholarship and to secure initial funding toward a third;
- Issued public statements on Racism and Legacy and in support of Rhodes Scholar Protesters and Activists;
- Sponsored an institutional memory research project by Scholars in Residence;
- Created unconscious bias training for Rhodes Scholarship selectors;

The Rhodes Trust

Trustees' Annual Report

For the year ended 30 June 2021

- Piloted an Outreach Ambassador programme in five countries, to be rolled out across our constituencies globally, with the goal of increasing the size, quality and diversity of applicant pools based on constituency-level data;
- Supported an outreach initiative led by the Association of American Rhodes Scholars (AARS) focused on students at Historically Black Colleges and Universities;
- Launched legacy, equity and inclusion learning and training for all Rhodes Trust staff;
- Hosted a pre-orientation programme for new Scholars in Residence from Africa;
- Developed a new guide and escalation process for Scholars who receive online abuse, and offered workshops on managing social media;
- Offered our annual presentation on the Trust's legal structure and finances to Rhodes alumni as part of a broader effort to make the Trust's operations more transparent;
- Hosted virtual events on race, legacy and equity for Rhodes Scholars around the world, from Town Halls to a dialogue featuring the second African-American Scholar in our history, John Edgar Wideman (Pennsylvania & New College 1963). These events have drawn participants from over 25 geographic constituencies representing a remarkable 68 years of selection, from 1952 to 2020;
- Publicised or co-hosted panel discussions and dialogues with our alumni associations and partners, including the "Urgency of Now" series offered by AARS and webinars hosted by the Atlantic Institute and Schmidt Science Fellows on a range of topics including Racial Equity in STEM, Vaccine Justice, and Overcoming Global Systemic Racism;
- Hosted virtual conversations on legacy, equity, and inclusion for Scholars in Residence, Scholars Elect, National Secretaries, and Rhodes Selectors.

Next Steps

We are launching three advisory groups to help us gather and synthesise ideas from across and beyond the global Rhodes community to guide our key areas of action and accomplish our goals. These groups will focus on critical questions in three areas:

- how we re-imagine Rhodes House through the Capital Project renovation;
- how we engage our history and revise the ways we tell our story to key stakeholders and the broader public; and
- what the Trust should aspire to do and be in our 21st century relationships and activities across the continent of Africa.

In addition to supporting the work of these Advisory Groups, we will continue to pursue other strategic goals and activities related to legacy, equity, and inclusion. These include:

- Develop and approve a new Memorandum of Understanding between The Rhodes Trust and The Mandela Rhodes Foundation to guide the next chapter of our relationship;
- Raise additional funds toward our £75m goal for new Rhodes Scholarships for Africa;
- Continue to offer and cosponsor virtual conversations on Legacy, Equity and Inclusion, with events focused on:
 - Ways of thinking about Cecil Rhodes
 - Reparation and Reconciliation
 - Democracy and Memory
 - Vaccine Justice: How Do We Change the Map?

Resources

The necessary resources and infrastructure to deliver the 125th Anniversary strategy include:

- Appropriate and sufficient staff recruited
- Global infrastructure to support staff including digital networks and office environment
- Rhodes Trust seen as a 'Great Place to Work' for the Trust and its partners
- Fiscal discipline, adhering to the guardrails of the Trust's 4.5% endowment spending policy (with the expectation of moving to 4.25% from 2023).
- Campaign to raise £200m over 10 years divided between new scholarship endowment (£140m), programme endowments (£15m), expendable funding for the Scholars Fund (£15m over 10 years), and the Capital Project (£30m).

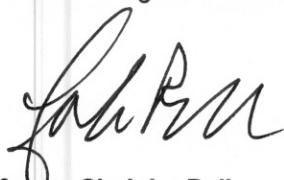
COVID 2019

In common with Oxford University and the colleges, the Trust closed Rhodes House during lockdown to staff and scholars, and the majority of staff were effectively re-deployed to home working wherever possible.

Laptops were issued to all staff and additional homeworking equipment needs fulfilled including provision of office furniture and stationery. Staff have continued to express satisfaction with the level of support offered during 2020 and 2021 as remote working conditions continued. As lock down regulations have been lifted, Rhodes House has been made available to staff and Scholars under closely monitored social distancing and cleaning regimes.

A staff consultation process is currently underway to address both the short term and longer term implications of a hybrid working to optimise the benefits of balancing the operational needs of the Trust with those of our Scholars and staff. This hybrid working will be implemented over the next 16 months as the Capital Project construction phasing permits and new areas of Rhodes House are returned to us by the main contractor as they complete each stage of the project.

Approved and signed on behalf of the Trustees on 12/11 2021.



Professor Sir John Bell
Chairman of the Trustees

LEGAL AND ADMINISTRATIVE INFORMATION

The current advisers are:

BANKERS:

NatWest Bank plc
Minns Business Park
7 West Way
Oxford OX2 0JB

Barclays Bank plc
1 Churchill Place
Canary Wharf
London E14 5HP

SOLICITORS:

Farrer and Co LLP
66 Lincoln's Inn Fields
London
WC2A 3LH

Lewis Silkin LLP
King Charles House
Park End Street
Oxford OX1 1JD

INDEPENDENT AUDITORS:

Saffery Champness LLP
71 Queen Victoria Street
London EC4V 4BE

REGISTERED AND PRINCIPAL ADDRESS:

Rhodes House
South Parks Road
Oxford OX1 3RG

WARDEN AND SECRETARY TO THE TRUSTEES:

Dr Elizabeth Kiss

The Rhodes Trust

Independent auditors' report to the trustees
For the year ended 30 June 2021

Opinion

We have audited the financial statements of The Rhodes Trust (the 'parent charity') and its subsidiaries (together the 'group') for the year ended 30 June 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 30 June 2021 and of the group's and the parent charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

The Rhodes Trust

Independent auditors' report to the trustees
For the year ended 30 June 2021

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees and informed management, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charity by discussions with trustees and informed management, and updating our understanding of the sector in which the group and parent charity operate.

Laws and regulations of direct significance in the context of the group and parent charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

The Rhodes Trust

Independent auditors' report to the trustees
For the year ended 30 June 2021

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the parent charity trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

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Saffery Champness LLP
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London EC4V 4BE

Date: 24 November 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Rhodes Trust
Consolidated Statement of Financial Activities
For the year ended 30 June 2021

	Notes	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowed Funds £'000s	2021 Total £'000s	2020 restated Total £'000s
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	1	686	784	11,261	12,731	96,661
Charitable activities	2	1,470	4,830	-	6,300	6,347
Other trading activities	3	-	-	-	-	292
Investments						
Investment income	4	213	-	-	213	883
Total return allocated to income	17	5,645	9,388	(15,033)	-	-
Other (foreign exchange gain)		-	-	-	-	184
Total income		8,014	15,002	(3,772)	19,244	104,367
EXPENDITURE ON:						
Charitable activities:						
Promotion and advancement of education	5	3,014	22,458	-	25,472	25,142
Raising funds:	7					
Fundraising		512	1,086	-	1,598	1,433
Trading expenditure		10	-	-	10	220
Finance costs	20	205	-	-	205	793
Investment management costs		-	438	1,250	1,688	1,252
		727	1,524	1,250	3,501	3,698
Total Expenditure		3,741	23,982	1,250	28,973	28,840
Net Income/(Expenditure) before gains		4,273	(8,980)	(5,022)	(9,729)	75,527
Net gains on investments	15	-	19,048	61,642	80,690	23,825
Net Income		4,273	10,068	56,620	70,961	99,352
Transfers between funds	22	(3,054)	(21,648)	24,702	-	-
Net movement in funds for the year		1,219	(11,580)	81,322	70,961	99,352
Fund balances brought forward	22	3,980	127,447	344,130	475,557	376,205
Funds carried forward at 30 June		5,199	115,867	425,452	546,518	475,557

The notes on pages 33 to 46 form part of these financial statements.

All amounts relate to continuing activities.

All gains and losses recognised in the year are included in the statement of financial activities.

The restatement of the prior year accounts relating to the reclassification of the OUEM distribution is fully detailed in note 15.

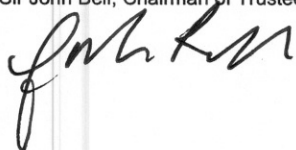
The Rhodes Trust
Consolidated and Charity Balance Sheets
As at 30 June 2021

		2021		2020	
	Notes	Group £'000s	Charity £'000s	Group £'000s	Charity £'000s
FIXED ASSETS					
Intangible assets	10	165	165	80	80
Tangible assets	11	31,371	31,371	19,856	19,856
Investments					
Pooled endowment investments	12	414,641	395,965	358,915	342,918
Capital project investments	13	32,244	32,244	37,605	37,605
Atlantic short term investments	14	89,685	89,685	80,284	80,284
Total Fixed Assets		568,106	549,430	496,740	480,743
CURRENT ASSETS					
Debtors	18	17,391	17,533	11,078	11,287
Investments		-	-	702	702
Cash at bank and in hand		13,298	12,943	16,060	15,764
Total Current Assets		30,689	30,476	27,840	27,753
LIABILITIES					
Creditors: Amounts falling due within one year	19	(5,390)	(5,479)	(3,136)	(3,453)
NET CURRENT ASSETS		25,299	24,997	24,705	24,300
TOTAL ASSETS LESS CURRENT LIABILITIES		593,405	574,427	521,444	505,043
CREDITORS: falling due after more than one year	20	(30,000)	(30,000)	(30,000)	(30,000)
Provisions for liabilities and charges	21	(16,887)	(16,887)	(15,887)	(15,887)
TOTAL NET ASSETS		546,518	527,540	475,557	459,156
FUNDS					
Endowment funds	22	425,452	406,704	344,130	327,976
Restricted funds		115,867	115,637	127,447	127,200
Unrestricted funds		5,199	5,199	3,980	3,980
		546,518	527,540	475,557	459,156

The notes on pages 33 to 46 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees on 12 November 2021.

Professor Sir John Bell, Chairman of Trustees



The Rhodes Trust
Consolidated Statement of Cash Flows
For the year ended 30 June 2021

	2021	2020 restated
	£'000s	£'000s
Cash flows from operating activities		
Net movement in funds	70,961	99,352
Adjustments for:		
Depreciation	722	368
Gains on investments	(80,690)	(23,825)
Investment management costs	1,964	2,204
Investment income	(213)	(883)
Receipt of endowment	(11,261)	(25,222)
(Increase)/decrease in debtors	(6,313)	12,867
Increase in creditors	2,254	967
Increase in provisions	1,000	2,374
Net cash (used in)/provided by operating activities	(21,576)	68,201
Cash flows from investing activities		
Proceeds from the sale of property, plant and equipment	0	-
Cash withdrawn	27,338	19,781
Purchase of fixed assets (tangible and intangible)	(12,322)	(3,754)
New money invested	(7,463)	(107,941)
Net cash provided by/(used in) investing activities	7,553	(91,914)
Cash flows from financing activities		
Receipt of endowment	11,261	25,222
Net cash provided by financing activities	11,261	25,222
Change in cash and cash equivalents in the reporting period	(2,762)	1,509
Cash and cash equivalents at the beginning of the reporting period	16,060	14,551
Cash and cash equivalents at the end of the reporting period	32 13,298	16,060

The notes on pages 33 to 46 form part of these financial statements.

ACCOUNTING POLICIES

The address of the registered office of The Rhodes Trust is Rhodes House, South Parks Road, Oxford, OX1 3RG.

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and Trust Balance Sheets and the Consolidated Statement of Cash Flows for the Trust, which comprises the Public Purposes Fund, the Cecil Rhodes Scholarship Fund, and the Rhodes Trust Horizon Fund, (which are linked under charity number 232492), and the wholly owned subsidiary of the Public Purposes Fund, Rhodes House Ltd (company no 06539418), The Rhodes Scholarships in New Zealand Limited, Rhodes Scholarships in Australia PTY Limited, Rhodes Scholarships in Canada Limited, and Rhodes Scholarship for Southern Africa Secretariat NPC respectively consolidated on a line by line basis. The New Zealand and Australian subsidiaries are corporate trustees of underlying trust funds. The Canadian subsidiary is a non-share capital corporation. The South African entity is a non-profit corporation. No separate SOFA has been presented for the Trust alone as it is not deemed to be materially different from the consolidated SOFA. A summary of the results and financial position of each of the three charitable funds of the Trust and of each of its subsidiaries for the reporting year can be found in Note 16.

2. Basis of accounting

The Trust's individual and consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular 'FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), as revised in 2019.

The Trust is a public benefit entity for the purposes of FRS 102 and a registered charity. The Trust has therefore also prepared its individual and consolidated financial statements in accordance with the laws applicable to charities in England and Wales and 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (Charities SORP (FRS 102)).

The consolidated financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following Charities SORP (FRS 102) rather than Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investments and certain financial assets and liabilities at fair value, with movements in value reported within the SOFA. Given that the funding is predominantly from endowment returns, there are no material uncertainties about going concern. The principal accounting policies adopted are set out below and have been applied consistently throughout the year, except where noted.

3. Accounting judgements and estimation uncertainty

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Trustees to have the most significant effect on amounts recognised in the financial statements:

- I. The rate of release from endowment funds to both unrestricted and restricted income funds, for the funding of expenditure, is set by the trustees at a level that is calculated to ensure sustainability and protection of the endowment capital, and to ensure equity between current and future beneficiaries of the Trust.
- II. The discount rate used in the calculation of the net present value of future pledged donations recognised in the balance sheet as accrued income. A rate of 2.67% is used, as this is the interest rate applicable to the £30m loan notes.
- III. The level of the general provision for non-fulfilment of pledges set against accrued income recognised but not received. In the light of current experience in relation to the fulfilment of pledges, no provision has been made.
- IV. The anticipated length of tenure and course mix used in the estimation of the provision for future Scholar costs.

- V. The pension deficit provision recorded for USS is dependent on estimates of future employment patterns and interest rates. The effects of changes to these assumptions are shown in note 26. The March 2020 USS valuation and associated deficit recovery plan was announced in September 2021, and is subject to consultation. The plan involves a reduction in the contributions from those previously agreed in the March 2018 recovery plan.

4. Income recognition

All income is recognised once the Trust has entitlement to the income, the economic benefit is probable and the amount can be reliably measured.

Income from donations, grants and legacies

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the Trust can demonstrate legal entitlement to the resource, the amount can be reliably measured and the economic benefit to the Trust of the donation or grant is probable. Donations and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the Trust and it is probable that the specified conditions will be met. Pledged donations in excess of £30,000 that are executed under deed are included upon execution of the deed, with the future pledge instalments discounted at the Trust's cost of borrowing (2.67% for the year ended 30 June 2021).

Legacies are recognised following grant of probate and once the Trust has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the Trust is probable.

Donations, grants and legacies accruing for the general purposes of the Trust are credited to unrestricted funds.

Donations, grants and legacies which are subject to conditions as to their use that are imposed by the donor or set by the terms of an appeal are credited to the relevant restricted fund or, where required to be held as capital, to the endowment funds. Where donations are received in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

Investment income

Interest on bank balances is accounted for on an accruals basis with interest recognised in the period to which the interest relates.

Distributions from Oxford University Endowment Management are accounted for when declared, and are now treated as realised gains. This presentation reflects the substance of the underlying transaction, but represents a change from the prior year, when the distribution was included as Income. The prior year figures are shown as restated where appropriate.

5. Expenditure

Expenditure is accounted for on an accruals basis. A liability and related expense is recognised when a legal or constructive obligation commits the Trust to expenditure that will probably require settlement, the amount of which can be reliably measured or estimated.

Grants awarded that are not performance-related are charged as an expense as soon as a legal or constructive obligation for their payment arises. Grants subject to performance-related conditions are expensed as the specified conditions of the grant are met.

The movement in the liability recognised in relation to future Scholar costs is accounted for as an expense in the period. The liability is estimated on the basis of two years of fees and stipend for the cohort of Scholars elected but not yet on course at the balance sheet date, and for the remaining tenure of Scholars already on course. The movement in provision is taken to unrestricted funds, and only charged to the appropriate restricted income fund as actually expended.

All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure categories in the SOFA.

Support costs, which include governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs are apportioned to expenditure categories in the SOFA based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Intra-group transactions between the Trust and its subsidiaries are excluded from income and expenditure in the consolidated financial statements.

6. Tangible fixed assets

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Under FRS 102, the Trust elected to use the fair value of Rhodes House as a 'deemed cost' as at 30 June 2015. The buildings are subject to annual depreciation and no further revaluations are anticipated.

Expenditure on the enhancement of buildings amounting to more than £10,000 together with expenditure on equipment costing more than £2,500 is capitalised.

Expenditure on assets under construction includes associated net interest on borrowings, which is taken straight to the balance sheet and included within additions.

Other expenditure on equipment incurred in the normal day-to-day running of the Trust and its subsidiaries is charged to the SOFA as incurred.

7. Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets, less their estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Freehold properties, including major extensions	2% p.a.
Building improvements	2%
Plant and Machinery	5%
Motor Vehicles	25%
Fixtures and Fittings and Computer Systems	25%

Freehold land is not depreciated. The cost of maintenance is charged in the SOFA in the period in which it is incurred.

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

Capital expenditure on the building development project is classified as an asset under construction, and is not depreciated until the building is brought in to use.

8. Intangible Fixed Assets

Expenditure on intangible assets including brand renewal and the website is capitalised where the impact is expected to be significant over a period of time, and amortised at 25% p.a.

9. Investments

Listed investments are initially measured at cost and subsequently measured at fair value at each reporting date. Fair value is based on the quoted price at the balance sheet date without deduction of estimated future selling costs.

Investments such as hedge funds and private equity funds which have no readily identifiable market value are initially measured at cost and subsequently measured at fair value at each reporting date without deduction of estimated future selling costs. Fair value is based on the most recent valuations available from the respective fund managers.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the Gains on Investments section of the SOFA and are allocated to the fund holding or disposing of the relevant investment in aggregate.

Investment distributions and new endowment cash received is treated as Cash Allocated for Investment, and is included within the portfolio in Other Investments.

Distributions from Oxford University Endowment Management are treated as realised gains.

10. Investments held on behalf of other members of the Group

Investments that are held on behalf of other members of the Group are accounted for as investments of the relevant subsidiary entity.

11. Other financial instruments

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

12. Foreign currencies

The functional and presentation currency of the Trust, including its trading subsidiary Rhodes House Limited is the pound sterling. The Australian, New Zealand, Canadian and South African subsidiaries report in their local currency.

Transactions denominated in foreign currencies during the year are translated into pound sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pound sterling at the rates applying at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA, under Other income if a gain, and within Support Costs if an overall loss in the year, with the exception of gains or losses arising from the revaluation of accrued, pledged donation income. These gains/(losses) are credited/(charged) to income from Donations.

The net foreign exchange loss recognised in income for the year ended 30 June 2021 was £0.20m (2020: net gain £0.18m).

13. Total Return accounting

The Trust's statutes authorise the Trust to adopt a 'total return' basis when accounting for the Scholarship Fund, which is a permanent endowment. The Trust can use its discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a component of the endowment known as the unapplied total return that can either be retained for investment or released to income at the discretion of the Board of Trustees.

The Trust's expendable endowment funds are similarly invested and accounted for on a total return basis, with the investment return being credited to the endowment fund, and a transfer to income being released to the related income fund. Investment management costs are charged to the endowment or invested income fund, but all other costs are charged to the related income fund.

14. Fund accounting

The total funds of the Trust and its subsidiaries are allocated to unrestricted, restricted or endowment funds based on the terms set by the donors or set by the terms of an appeal. Endowment funds are further sub-divided into permanent and expendable endowment funds.

Unrestricted funds can be used in furtherance of the objects of the Trust at the discretion of the Board of Trustees, but within the charitable purposes of the Public Purposes Fund and Horizon Fund respectively. The Board of Trustees may decide that part of the unrestricted funds shall be used in future for a specific purpose and this will be accounted for by transfers to appropriate designated funds.

Restricted funds comprise gifts, legacies and grants where the donors have specified that the funds are to be used for particular purposes of the Trust. They consist of either gifts where the donor has specified that both the capital and any income arising must be used for the purposes given or the income on gifts where the donor has required or permitted the capital to be maintained and with the intention that the income will be used for specific purposes within the Trust's objects.

Permanent endowment funds arise where donors specify that the funds are to be retained as capital for the permanent benefit of the Trust. Any part of the total return arising from the capital that is allocated to income will be accounted for as unrestricted funds unless the donor has placed restrictions on the use of that income, in which case the total return arising will be accounted for as a restricted fund.

Expendable endowment funds are similar to permanent endowment in that they have been given, or the Trust has determined based on the circumstances in which they have been given, for the long term benefit of the Trust. However, the Trustees may at their discretion determine to spend all or part of the capital.

15. Cost allocation

With the exception of investment management charges which are charged directly to the endowment fund or invested income fund, in proportion to the investment holding at the start of the period, all expenditure is allocated directly to the relevant income fund. Thus direct scholar costs, which include fees, stipends and other direct expenses of a scholarship, are charged directly to the restricted funds, with any deficit in the year funded by transfer from unrestricted funds. Other operational costs are apportioned over the operational activities and then to the relevant funds.

16. Borrowing Costs

Interest payable on the bond issued in order to fund the building development project is capitalised, net of the return on any funds invested pending drawdown to fund the construction costs, and will be depreciated in accordance with the depreciation policy, once the building has been brought into use.

17. Pension costs

The costs of retirement benefits provided to employees of the Trust through two multi-employer defined benefit pension schemes are accounted for as if these were defined contribution schemes as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The Trust's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

In addition, a liability is recognised at the balance sheet date for the discounted value of the expected future contribution payments under the agreements with these multi-employer schemes to fund the past service deficits.

The Trust also contributes to a 401(K) Safe Harbour pension plan for its six US employees. This is a defined contribution plan.

18. Cashflow Statement

The Trust has taken advantage of the exemption under FRS102 not to disclose its own statement of cashflows. The group prepares a consolidated Cashflow Statement and the consolidated accounts, in which the Trust's results are included, are available to the public.

The Rhodes Trust
Notes to the financial statements
For the year ended 30 June 2021

1 DONATIONS AND LEGACIES	2021 £'000s	2020 £'000s
Unrestricted funds	686	640
Restricted funds	784	70,799
Endowed funds	11,261	25,222
	<u>12,731</u>	<u>96,661</u>

The Scholars Fund campaign contributed £1,204k (2020: £1,463k) towards revenue expenditure on identified priorities in the course of the year.
See Note 22 for detailed breakdown of donations received by fund.

2 INCOME FROM CHARITABLE ACTIVITIES	2021 £'000s	2020 £'000s
Scholarship funding	1,134	870
Atlantic Institute Grant Funding	68	-
RISE Grant Funding	459	412
Schmidt Science Fellows Grant Funding	3,975	4,369
Contributions to co-funded College scholarship costs	663	696
	<u>6,300</u>	<u>6,347</u>

The Trust has entered into a number of co-funding agreements with the University and with several Colleges, whereby fees and stipend costs are shared. Grant funding is received to support partnership programmes, namely The Atlantic Institute, Schmidt Science Fellows and the RISE Programme.

3 INCOME FROM OTHER TRADING ACTIVITIES	2021 £'000s	2020 £'000s
Subsidiary company trading income: Rhodes House Ltd	-	279
Other trading income	-	13
	<u>-</u>	<u>292</u>

4 INVESTMENT INCOME	2021 £'000s	2020 restated £'000s
<i>Unrestricted funds</i>		
Interest on fixed term deposits and cash	205	793
Bank interest	8	86
	<u>213</u>	<u>879</u>
<i>Restricted funds</i>		
Bank interest	-	4
	<u>-</u>	<u>4</u>
Total Investment income	<u>213</u>	<u>883</u>

5 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES	Direct Staff Costs £'000s	Direct Non-staff Costs £'000s	Support Costs £'000s	2021 £'000s
2021				
Scholarship programme				
Grants to Individuals	-	11,418	-	11,418
Indirect Scholar support	1,262	988	4,325	6,575
	<u>1,262</u>	<u>12,406</u>	<u>4,325</u>	<u>17,992</u>
Other programmes:				
Atlantic Institute - Grants to Individuals	-	354	-	354
Atlantic Institute - Other Programme Costs	1,393	896	343	2,632
	<u>1,393</u>	<u>1,250</u>	<u>343</u>	<u>2,986</u>
Schmidt Science Fellows - Grants to Individuals	-	1,521	-	1,521
Schmidt Science Fellows - Other Programme Costs	955	1,448	50	2,453
	<u>955</u>	<u>2,970</u>	<u>50</u>	<u>3,975</u>
RISE - Other Programme Costs	176	129	111	417
	<u>176</u>	<u>129</u>	<u>111</u>	<u>417</u>
Other programmes including Schwarzman Leadership Programme	-	101	-	101
Total expenditure on charitable activities	<u>3,786</u>	<u>16,855</u>	<u>4,829</u>	<u>25,470</u>

2020	Direct Staff Costs £'000s	Direct Non-staff Costs £'000s	Support Costs £'000s	2020 £'000s
Scholarship programme				
Grants to Individuals	-	11,610	-	11,610
Indirect Scholar support	1,271	1,659	2,226	5,156
	<u>1,271</u>	<u>13,269</u>	<u>2,226</u>	<u>16,766</u>
Other programmes:				
Atlantic Institute - Grants to Individuals	-	158	-	158
Atlantic Institute - Grants to Institutions	-	61	-	61
Atlantic Institute - Other Programme Costs	1,121	1,912	337	3,370
	<u>1,121</u>	<u>2,131</u>	<u>337</u>	<u>3,589</u>
Schmidt Science Fellows - Grants to Individuals	-	1,466	-	1,466
Schmidt Science Fellows - Other Programme Costs	830	2,023	50	2,903
	<u>830</u>	<u>3,489</u>	<u>50</u>	<u>4,369</u>
RISE - Other Programme Costs	51	150	133	334
	<u>51</u>	<u>150</u>	<u>133</u>	<u>334</u>
Other programmes including Schwarzman Leadership Programme	-	84	-	84
Total expenditure on charitable activities	<u>3,274</u>	<u>19,122</u>	<u>2,745</u>	<u>25,142</u>

6 GRANT COMMITMENTS

Future Scholar costs

The Trust recognises the commitment made to fund Scholars that have been elected in the year, but who have not yet taken up their scholarship. Grants to individuals made under the Scholarship programme includes the charge relating to the increase in the provision to reflect an estimated two years of fees and stipends for the incoming cohort, and one year of fees and stipends for second and third years. This provision is disclosed in Note 21.

7 ANALYSIS OF EXPENDITURE ON RAISING FUNDS

	Direct Staff Costs £'000s	Direct Non-staff Costs £'000s	Support Costs £'000s	2021 £'000s
2021				
Expenditure on raising funds				
Fundraising	1,098	500	-	1,598
Trading expenditure	-	4	6	10
Finance Costs (see Note 20)	-	-	205	205
Investment management costs	-	-	1,688	1,688
Total expenditure on raising funds	1,098	504	1,900	3,502

	Direct Staff Costs £'000s	Direct Non-staff Costs £'000s	Support Costs £'000s	2020 £'000s
2020				
Expenditure on raising funds				
Fundraising	930	503	-	1,433
Trading expenditure	-	213	8	220
Finance Costs	-	-	793	793
Investment management costs	-	-	1,252	1,252
Total expenditure on raising funds	930	716	2,053	3,698

8 ANALYSIS OF SUPPORT COSTS

	Charitable Activities £'000s	Raising Funds £'000s	2021 Total £'000s
2021			
Administration	1,816	2	1,818
Finance	28	-	28
Human resources	236	-	236
IT and communications	1,041	-	1,041
Investment management	-	1,688	1,688
Legal & professional	356	-	356
Governance costs	68	4	72
Depreciation	690	-	690
Loss/(profit) on fixed assets	(0)	-	(0)
Interest cost on pension provision	44	-	44
Exchange rate loss	201	-	201
Pension deficit liability movement	350	-	350
	4,829	1,695	6,524

	Charitable Activities £'000s	Raising Funds £'000s	2020 Total £'000s
2020			
Administration	1,269	4	1,272
Finance	40	-	40
Human resources	213	-	213
IT and communications	860	-	860
Investment management	-	1,252	1,252
Legal & professional	126	-	126
Governance costs	59	4	63
Depreciation	286	-	286
Interest cost on pension provision	47	-	47
Pension deficit liability movement	(154)	-	(154)
	2,745	1,259	4,005

Shared Services, including Human Resources, Finance and IT costs are attributed according to the proportion of workload.

Depreciation costs are attributed according to the use made of the underlying assets.

Interest and other finance charges are attributed according to the purpose of the related financing.

	2021 £'000s	2020 £'000s
Governance costs comprise:		
Auditors' remuneration - audit services	63	50
Auditors' remuneration - other services	1	1
Auditors' remuneration - tax advisory services	8	10
Other governance costs	1	2
	72	63

The Rhodes Trust
Notes to the financial statements
For the year ended 30 June 2021

9 STAFF COSTS

	2021 £'000s	2020 £'000s
The aggregate staff costs for the year were as follows.		
Salaries and wages	5,530	4,446
Social security costs	589	457
Pension costs:		
Defined benefit schemes	800	586
Defined contribution schemes	58	46
Other benefits	84	65
Pension deficit liability movement	350	(154)
Total Staff Costs	<u>7,411</u>	<u>5,447</u>
Less Staff Costs disclosed in Note 5 as Support Costs for Atlantic Institute, RISE and Schmidt Science Fellows	<u>(504)</u>	<u>(520)</u>
	<u>6,907</u>	<u>4,927</u>

The total pension provision held at 30th June 2021 is £2.0m (2020: £1.6m) as per Note 21. See Note 26 for full details.

	2021	2020
The average number of employees on a gross headcount basis was as follows:		
Full time	80	64
Part time	10	9
Total	<u>90</u>	<u>73</u>

The Trustees do not receive any remuneration from the Trust in respect of their services. No trustee expenses (2020: £1k) were settled or reimbursed in the year in respect of expenses incurred in attending trustee meetings.

Redundancy payments are accounted for in the period in which the employee was informed of the decision. Where redundancy costs are uncertain, the figure in the accounts represents a best estimate. These costs are met from unrestricted funds. No such payments were made in the year, as payment in lieu of notice (2020: £86k).

The Trust benefits from the services of volunteers as described on page 9 of the Trustees' Annual Report, particularly in the process of Scholar selection in the national constituencies.

The number of employees during the year whose gross pay and benefits (excluding employer NI and pension contributions) fell within the following bands was:

	2021	2020
£60,000-£70,000	4	1
£70,000-£80,000	4	2
£80,000-£90,000	3	3
£90,000-£100,000	2	6
£100,000-£110,000	3	3
£110,000-£120,000	5	1
£120,000-£130,000	1	1
£130,000-£140,000	1	-
£150,000-£160,000	1	1
£170,000-£180,000	-	1
£180,000-£190,000	3	1
£190,000-£200,000	1	-
£200,000-£210,000	-	1
£250,000-£260,000	-	1
£280,000-£290,000	1	-

Aggregate employee benefits of key management personnel, including pension contributions, amounted to £1,682k in the year (2020: £1,593k). Key management personnel are detailed on page 9 of the Trustees Annual Report.

10 INTANGIBLE FIXED ASSETS

Group and Charity	2021 £'000s	2020 £'000s
Cost		
At start of year	331	331
Additions	117	-
At end of year	<u>447</u>	<u>331</u>
Amortisation		
At start of year	251	168
Amortisation charge for the year	32	83
At end of year	<u>282</u>	<u>251</u>
Net book value carried forward	<u>165</u>	<u>80</u>
Net book value brought forward	<u>80</u>	<u>163</u>

The Rhodes Trust
Notes to the financial statements
For the year ended 30 June 2021

11 TANGIBLE FIXED ASSETS

Group and Charity	Freehold land and buildings £'000s	Assets under construction £'000s	Plant and machinery £'000s	IT Systems £'000s	Fixtures, fittings and equipment £'000s	Total £'000s
Cost						
At start of year	14,792	3,891	63	2,306	691	21,742
Additions	1,606	9,025	-	1,575	-	12,205
Disposals	-	-	-	-	(19)	(19)
At end of year	16,398	12,915	63	3,881	672	33,929
Depreciation and impairment						
At start of year	881	-	13	332	661	1,886
Depreciation charge for the year	150	-	3	524	13	690
Depreciation on disposals	-	-	-	-	(19)	(19)
At end of year	1,032	-	16	855	655	2,558
Net book value 2021	15,366	12,915	47	3,026	17	31,371
Net book value 2020	13,911	3,891	50	1,974	30	19,856

Assets under construction are the costs associated with the Rhodes House capital project, amounting to additions of £9,025k (2020: £2,127k), including fees and capitalised borrowing costs net £658k (2020: £8k).

The new building development is not expected to come in to use until year ending 30th June 2023, when depreciation of the asset will commence.

12 POOLED ENDOWMENT INVESTMENTS

All investments are held at fair value.

	2021 £'000s	2020 restated £'000s
Group investments		
Valuation at start of year	358,915	320,319
New money invested	7,258	37,392
Amounts withdrawn	(18,136)	(15,209)
Investment management fees	(1,377)	(1,154)
Increase in value of investments	67,981	17,567
Group investments at end of year	414,641	358,915
Investment held on behalf of subsidiaries	(18,676)	(15,997)
Investments in subsidiaries	0	0
Charity investments at end of year	395,965	342,918

Group investments comprise:

	2021 £'000s	2020 restated £'000s
Private equity investments	4,773	18,805
Listed investments	17,071	13,753
Global multi-asset funds (including OUEF)	331,415	272,594
Property, alternative and other investments	2,283	3,740
Fixed term deposits, bonds and cash	59,098	50,023
Total group investments	414,641	358,915

The Oxford University Endowment Fund (OUEF) is a global multi-asset fund.

The above investments include £2,205k (2020: £nil) of funds belonging to the 2nd Century Founder Compound fund which have been invested by The Trust in a segregated portfolio with OUEM.

13 CAPITAL PROJECT INVESTMENTS

Group and Charity	2021 Total £'000s	2020 Total £'000s
Valuation at start of year	37,605	38,836
Bond interest @ 2.67%	(801)	(801)
Amounts withdrawn	(4,702)	(1,155)
Reinvested income	205	793
Investment management fees	(63)	(69)
Valuation at end of year	32,244	37,605

Investments all held in fixed term deposits, bonds and cash. These funds are ring-fenced and invested pending expenditure on the development of Rhodes House.

14 ATLANTIC SHORT TERM INVESTMENTS

Group and Charity	2021 Total £'000s	2020 Total £'000s
Valuation at start of year	80,284	7,033
New money invested	-	69,706
Amounts withdrawn	(2,997)	(2,616)
Investment management fees	(311)	(97)
Increase in value of investments	12,709	6,259
Valuation at end of year	89,685	80,284
Investments comprise:	2021 £'000s	2020 £'000s
Listed investments	57,705	56,020
Property, alternative and other investments	4,193	10,750
Fixed term deposits, bonds and cash	27,787	13,514
Total group investments	89,685	80,284

These funds are ring-fenced and finance the operational activities of the Atlantic Institute. These grant funds are expected to be spent down over a 12-15 year period and are thus described as short-term.

15 GAINS ON INVESTMENTS

	2021 Total £'000s	2020 restated Total £'000s
Gain on pooled endowment investments (note 12)	67,981	17,567
Gain on Atlantic short term investments (note 14)	12,709	6,259
	80,690	23,825

The distribution of £19.6m (2020: £13.3m) from OUEM, a unitised fund, is treated as a realised gain within the Pooled Endowment Investment Portfolio. Instead of the standard distribution, the Trust elected to receive the enhanced distribution of 7% in the year. The distribution was reported as dividend income in the financial statements for the year ended 30 June 2020. The 2020 figures have been restated in these financial statements so as to be comparable.

16 PARENT AND SUBSIDIARY UNDERTAKINGS

The results and the assets and liabilities of the parent and subsidiaries at the year end were as follows.

2021	Cecil Rhodes Scholarship Fund £'000s	Rhodes Trust Public Purposes Fund £'000s	Rhodes House Ltd £'000s	Rhodes Trust Horizon Fund £'000s
Income	-	4,278	41	14,271
Expenditure	(2,403)	(13,920)	(33)	(11,435)
Donation to Trust under gift aid	-	8	(8)	-
Transfers	-	(327)	-	327
Net gains on investments	9,121	44,325	-	24,140
Result for the year	6,717	34,364	-	27,302
Total assets	54,379	355,880	28	169,498
Total liabilities	-	(51,074)	(28)	(1,175)
Net funds at the end of year	54,379	304,806	0	168,323
	Rhodes Scholarships in Australia PTY Ltd £'000s	Rhodes Scholarships in New Zealand Ltd £'000s	Rhodes Scholarships in Canada £'000s	Rhodes Scholarships for Southern Africa Secretariat NPC £'000s
Income	46	6	397	0
Expenditure	(719)	(2)	(255)	(88)
Net gains on investments	2,529	-	576	-
Result for the year	1,856	3	718	(88)
Total assets	15,284	62	3,632	31
Net funds at the end of year	15,284	62	3,632	31

The Rhodes Trust
Notes to the financial statements
For the year ended 30 June 2021

	Cecil Rhodes Scholarship Fund £'000s	Rhodes Trust Public Purposes Fund £'000s	Rhodes House Ltd £'000s	Rhodes Trust Horizon Fund £'000s
2020 restated				
Income	-	22,255	342	80,475
Expenditure	(2,253)	(14,078)	(276)	(10,686)
Donation to Trust under gift aid	-	66	(66)	-
Transfers	-	(12)	-	-
Net gains on investments	2,414	11,375	-	9,226
Result for the year	161	19,605	-	79,016
Total assets	47,661	317,542	30	142,827
Total liabilities	-	(47,188)	(30)	(1,806)
Net funds at the end of year	47,661	270,354	0	141,021
	Rhodes Scholarships in Australia PTY Ltd £'000s	Rhodes Scholarships in New Zealand Ltd £'000s	Rhodes Scholarships in Canada £'000s	Rhodes Scholarships for Southern Africa Secretariat NPC £'000s
Income	85	3	413	-
Expenditure	(421)	(1)	(332)	-
Transfers	-	-	12	-
Net gains on investments	663	-	147	-
Result for the year	327	2	241	-
Total assets	13,429	59	2,914	119
Net funds at the end of year	13,429	59	2,914	119

Rhodes House Ltd

The Rhodes Trust Public Purposes Fund holds the whole of the issued share capital of Rhodes House Ltd, a company incorporated in the UK. The company hires out Rhodes House for functions. Included in the above costs are £5k (2020: £20k) of rental charges and £17k (2020: £36k) of management fees charged from the Rhodes Trust which are eliminated upon consolidation. A new operating agreement was signed in the year between the Rhodes Trust and the subsidiary. In light of the building work being undertaken in Rhodes House, access to the building was severely curtailed in the year, and the Trustees agreed a rent reduction for the year. Included in the above income is £41k of venue hire to the Atlantic Institute which is eliminated upon consolidation. The profits of the subsidiary are distributed to the parent charity under gift aid.

Rhodes Trust Horizon Fund

The incorporated board of trustees, The Rhodes Trust, is the sole trustee of The Rhodes Trust Horizon Fund. The funds of the Horizon Fund are invested in the main Rhodes Trust investment portfolio, and income and returns are paid out to the Horizon Fund accordingly. Costs in relation to the Scholars funded from Horizon funds are incurred in the PPF in the first instance and re-charged to Horizon. This charity is linked for reporting purposes with both the Scholarship and Public Purposes Funds. The three funds are thus combined as the 'Charity' in the balance sheet and notes of these financial statements.

Rhodes Scholarships in Australia PTY Ltd

The Rhodes Trust is the sole shareholder of an Australian charitable company, which promotes and provides Rhodes Scholarships to Australian scholars and donors. The Australian funds are invested in the main Rhodes Trust investment portfolio and income and returns are credited to the Australian funds intercompany account at the end of the year.

Rhodes Scholarships in New Zealand Ltd

The Rhodes Trust is the sole shareholder of a New Zealand charitable company that promotes and provides Rhodes Scholarships to New Zealand scholars and donors.

Rhodes Scholarships in Canada

The Rhodes Trust is the sole shareholder of a Canadian charitable company, which promotes and provides Rhodes Scholarships to Canadian scholars and donors. The Canadian funds are invested in the main Rhodes Trust investment portfolio and income and returns are credited to the Canadian funds intercompany account at the end of the year.

Rhodes Scholarships for Southern Africa Secretariat NPC

The Rhodes Trust controls the appointments to the Board of this South African Not for Profit Company. The company supports the operations of the South African National Secretary and fundraising function. The Rhodes Trust for South Africa, however, is not consolidated into the group accounts, as it is not directly controlled by The Rhodes Trust.

The transactions between The Rhodes Trust Public Purposes Fund, The Rhodes Trust Horizon Fund and the Trust's subsidiaries in Australia, New Zealand, Canada and South Africa are many and varied, given the interconnected operations. Staff are employed by the Rhodes Trust, and recharges are made to the subsidiaries as appropriate. Direct and indirect Scholars costs are incurred within the Trust, and re-charged to the subsidiaries, depending on the geographic constituency of origin, and the allocation of a particular student to a fund. Overheads are re-charged as appropriate.

17 STATEMENT OF INVESTMENT TOTAL RETURN

With approval from the Charity Commission, the Trustees adopted a policy of total return accounting for the investment return on the Scholarship Fund, with effect from 30th June 2007. The investment return to be applied as income was originally set by the Trustees at 4% of the brought forward fund value. During the year ended 30th June 2018, the Trustee Board approved a change to the rate to be applied, to bring the Scholarship Fund in line with the policy being applied to all other endowment funds of the Trust, which is currently 4.5%. The amount applied as income for spending is included within the income section of the SOFA on the basis that this gives a clearer understanding of the financial position of the group. The preserved (frozen) value of the invested endowment capital represents its open market value at 1 July 1989 together with all subsequent endowments valued at the date of the gift.

	Trust for Investment Scholarship Fund £'000s	Permanent Endowment Unapplied Total Return £'000s	Total £'000s	Expendable Endowment £'000s	Total Endowments £'000s
2021					
At the beginning of the year:					
Gift component of the permanent endowment	30,428	-	30,428	-	30,428
Unapplied total return	-	17,233	17,233	-	17,233
Expendable endowment	-	-	-	296,469	296,469
Total Endowments	30,428	17,233	47,661	296,469	344,130
Movements in the reporting period:					
Gift of endowment funds	-	-	-	11,261	11,261
Investment return: realised and unrealised gains and losses	-	9,121	9,121	52,521	61,642
Less: Investment management costs	-	(184)	(184)	(1,066)	(1,250)
Total	-	8,936	8,936	62,717	71,653
Unapplied total return allocated to income in the reporting period	-	(2,219)	(2,219)	-	(2,219)
Expendable total return income transferred	-	-	-	(12,814)	(12,814)
	-	(2,219)	(2,219)	(12,814)	(15,033)
Transfers from expendable endowments	-	-	-	24,701	24,701
	-	(2,219)	(2,219)	11,887	9,668
Net movements in reporting period	-	6,717	6,717	74,604	81,321
At end of the reporting period:					
Gift component of the permanent endowment	30,428	-	30,428	-	30,428
Unapplied total return	-	23,950	23,950	-	23,950
Expendable endowment	-	-	-	371,073	371,073
Total Endowments	30,428	23,950	54,379	371,073	425,452

	Trust for Investment Scholarship Fund £'000s	Permanent Endowment Unapplied Total Return £'000s	Total £'000s	Expendable Endowment £'000s	Total Endowments £'000s
2020 restated					
At the beginning of the year:					
Gift component of the permanent endowment	30,428	-	30,428	-	30,428
Unapplied total return	-	17,071	17,071	-	17,071
Expendable endowment	-	-	-	270,346	270,346
Total Endowments	30,428	17,071	47,500	270,346	317,846
Movements in the reporting period:					
Gift of endowment funds	-	-	-	25,222	25,222
Investment return: realised and unrealised gains and losses	-	2,414	2,414	13,457	15,871
Less: Investment management costs	-	(158)	(158)	(886)	(1,043)
Total	-	2,257	2,257	37,793	40,050
Unapplied total return allocated to income in the reporting period	-	(2,095)	(2,095)	-	(2,095)
Expendable total return income transferred	-	-	-	(11,099)	(11,099)
	-	(2,095)	(2,095)	(11,099)	(13,194)
Transfers to expendable endowments	-	-	-	(571)	(571)
	-	(2,095)	(2,095)	(11,670)	(13,765)
Net movements in reporting period	-	161	161	26,123	26,285
At end of the reporting period:					
Gift component of the permanent endowment	30,428	-	30,428	-	30,428
Unapplied total return	-	17,233	17,233	-	17,233
Expendable endowment	-	-	-	296,469	296,469
Total Endowments	30,428	17,233	47,661	296,469	344,130

With effect from year ended 30th June 2017, the Trust has adopted a policy of allocation from expendable endowment to income in order to protect the capital value of those endowments and ensure inter-generational equity, in a similar way to the application of total return to income for the Scholarship Fund. £12,814k was transferred to income under this policy in year ended 30th June 2021 (2020: £11,099k). This equates to 4.5% of brought forward fund value, but is calculated on a quarterly basis.

18 DEBTORS

	2021 Group £'000s	2020 Group £'000s	2021 Charity £'000s	2020 Charity £'000s
Amounts falling due within one year:				
Trade debtors	791	533	791	512
Prepaid fees, stipends and amounts owed by Scholars	400	288	396	288
Amounts held by National Secretaries	343	228	367	351
Amounts owing by group undertakings: UK	-	-	471	111
Amounts owing by group undertakings: Overseas	-	-	45	-
Accrued Income	10,040	7,170	10,040	7,170
Prepayments	221	219	219	219
Other debtors	516	122	123	119
Amounts falling due in more than one year:				
Accrued income	5,080	2,517	5,080	2,517
	17,391	11,078	17,533	11,287

Accrued income for the group falling due in more than year represents pledged donations, at present value, of which £421k falls due in more than five years (2020: £675k).

The Rhodes Trust
Notes to the financial statements
For the year ended 30 June 2021

19 CREDITORS: falling due within one year	2021	2020	2021	2020
	Group £'000s	Group £'000s	Charity £'000s	Charity £'000s
Trade creditors	3,250	1,197	3,247	1,184
Amounts owed to group undertakings: UK	-	-	61	12
Amounts held on behalf of group undertakings	-	-	72	309
Taxation and social security	171	112	171	142
Accruals and deferred income	1,945	1,113	1,923	1,097
Other creditors	24	713	5	709
	5,390	3,136	5,479	3,453
20 CREDITORS: falling due after more than one year				
	2021	2020	2021	2020
	Group £'000s	Group £'000s	Charity £'000s	Charity £'000s
Loan Notes	30,000	30,000	30,000	30,000
	30,000	30,000	30,000	30,000

In October 2018, the Rhodes Trust Public Purposes Fund issued £30m of unsecured loan notes in order to fund the building of a conference and convening centre, administration and accommodation facilities within the Rhodes House site. Fixed interest payments are payable at 2.67% p.a. twice yearly, and the capital is due for repayment in October 2048. Interest of £800k (2020: £800k) was payable on the loan notes in the year, £596k (2020: £8k) has been capitalised and is included within fixed asset additions, net of income earned on invested cash funds (see Note 11). The balance, £205k (2020: £793k), has been expensed and is included within expenditure on raising funds.

21 PROVISIONS FOR LIABILITIES AND CHARGES	2021	2020	2021	2020
	Group £'000s	Group £'000s	Charity £'000s	Charity £'000s
Provision for future Scholar costs				
At start of year	14,330	11,848	14,330	11,848
Charged in the Statement of Financial Activities	845	2,482	845	2,482
Settled in the year	(239)	-	(239)	-
At end of year	14,936	14,330	14,936	14,330
Provision for pension deficit liability				
At start of year	1,558	1,665	1,558	1,665
Charged in the Statement of Financial Activities	480	(60)	480	(60)
Settled in the year	(86)	(47)	(86)	(47)
At end of year	1,951	1,558	1,951	1,558
Total provisions	16,887	15,887	16,887	15,887

A provision is carried for the commitment made to Scholars elected in the year, but not taking up their scholarship until the following Autumn. An estimate of two years' of average fees and stipends is provided for, and for the remaining tenure of Scholars currently on course.

The provision for future Scholar costs includes a sum of £255k (2020: £494k) which has been committed to the additional costs to be incurred in the support of Scholars whose academic studies have been adversely affected by COVID 19, for stipend extensions and additional expenses. £238,646 (2020: £nil) has been used to cover expenses incurred in the year.

A provision is carried, at present value, for the estimated future deficit funding element of the contributions payable under the agreements for additional contributions to fund past service deficits for both USS and OSPS. See Note 26.

22 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 July 2020 £'000s	New Money £'000s	Investment & Operating Income £'000s	Resources expended £'000s	Transfers £'000s	Gains/ (losses) £'000s	At 30 June 2021 £'000s
Endowment Funds - Permanent							
Scholarship Endowment Fund	47,661	-	-	(184)	(2,219)	9,121	54,379
Total Permanent Endowment	47,661	-	-	(184)	(2,219)	9,121	54,379
Endowment Funds - Expendable							
Public Purposes Fund							
Public Purposes Capital Fund	133,397	26	-	(468)	(5,643)	23,192	150,505
Second Century Founder Capital Fund (MMF)	34,382	-	-	(133)	(1,601)	6,579	39,227
New Zealand Partnership Capital Fund	9,794	-	-	(38)	(456)	1,874	11,175
Oppenheimer South Africa Capital Fund	7,975	(173)	-	(25)	(296)	1,217	8,697
Atlantic (Rhodes Schol Prog) Fund	-	-	-	-	25,371	-	25,371
RSA Second Century Founder MMF Capital Fund	13,863	-	-	(55)	(1,333)	2,728	15,203
Banks Partnership Capital Fund	5,873	5	-	(20)	(239)	982	6,601
2nd Century Founder Compound Fund	-	2,000	-	-	-	205	2,205
Various Partnership Funds	25,444	98	-	(74)	(887)	3,249	27,829
Subtotal	230,727	1,956	-	(812)	14,916	40,026	286,813
Horizon Fund							
Rhodes Scholarships for UAE	11,560	-	-	(45)	(538)	2,212	13,189
Malaysia Capital Fund	5,361	-	-	(21)	(250)	1,026	6,117
Said SJLP Capital Fund	5,798	-	-	(22)	(258)	1,090	6,607
China Capital Fund	12,536	968	-	(49)	(589)	2,429	15,295
West Africa Capital Fund	3,586	3,755	-	(14)	(170)	704	7,861
Alagil Saudi Arabia Capital Fund	4,096	4,395	-	(16)	(191)	784	9,068
Various Partnership Funds	6,649	(118)	-	(23)	(278)	1,145	7,375
Subtotal	49,588	9,000	-	(190)	(2,275)	9,390	65,512
Total Endowment Funds - Charity	327,976	10,956	-	(1,187)	10,421	58,537	406,703

The Rhodes Trust
Notes to the financial statements
For the year ended 30 June 2021

	At 1 July 2020 £'000s	New Money £'000s	Investment & Operating Income £'000s	Resources expended £'000s	Transfers £'000s	Gains/ (losses) £'000s	At 30 June 2021 £'000s
Rhodes Scholarships in Australia PTY Ltd							
Australia Capital Fund	10,360	-	-	(40)	(482)	1,982	11,820
Queensland Capital Fund	2,967	(10)	-	(11)	(133)	547	3,359
	13,326	(10)	-	(51)	(615)	2,529	15,179
Rhodes Scholarships in Canada							
Canadian Endowment Capital Fund	458	17	-	(2)	(22)	90	542
Canadian Israel Fund	1,837	299	-	(8)	(92)	384	2,420
Canadian Second Century Founder Fund	385	-	-	(1)	(18)	74	440
Genereux CSLP Capital Fund	147	-	-	(1)	(7)	28	168
	2,828	316	-	(12)	(138)	576	3,570
Total Expendable Endowment	296,469	11,261	-	(1,066)	11,887	52,521	371,073
Total Endowment Funds - Group	344,130	11,261	-	(1,250)	9,668	61,642	425,452
Restricted Funds							
Scholarship Fund							
Scholarship Endowment Income Fund	-	-	-	(2,219)	2,219	-	-
Public Purposes Fund							
Atlantic (Rhodes Schol Prog) Fund	22,704	-	-	(1,632)	(25,371)	4,299	-
Atlantic Building Fund	10,600	-	-	-	-	-	10,600
Various Partnership Income Funds	878	158	459	(9,020)	7,909	-	384
Subtotal	34,182	158	459	(10,652)	(17,462)	4,299	10,984
Horizon Fund							
Atlantic Horizon (Institute) Fund	90,443	-	68	(3,338)	-	14,749	101,922
Various Partnership Income Funds	2,575	485	4,302	(6,860)	2,230	-	2,731
Subtotal	93,018	485	4,370	(10,199)	2,230	14,749	104,653
Total Restricted Funds - Charity	127,200	642	4,830	(23,070)	(13,013)	19,048	115,637
Rhodes Scholarships in Australia PTY Ltd							
Australia Income Fund	102	56	0	(535)	482	-	106
Queensland Income Fund	-	-	-	(133)	133	-	(0)
	102	56	0	(668)	615	-	106
Rhodes Scholarships in New Zealand Ltd							
New Zealand Funds	59	5	1	(2)	-	-	62
Rhodes Scholarships in Canada							
Canadian Income Fund (Annual Fund)	42	81	0	(82)	22	-	63
Canadian Israel Fund	44	-	-	(136)	92	-	0
Canadian Second Century Founder Fund	-	-	-	(18)	18	-	-
Genereux CSLP Income Fund	-	-	-	(7)	7	-	-
	86	81	0	(243)	138	-	63
Total Restricted Funds - Group	127,447	784	4,831	(23,983)	(12,260)	19,048	115,867
Unrestricted Funds							
Public Purposes Fund							
PPF Income Fund	5,564	686	1,060	(2,488)	2,219	-	7,041
Horizon Fund Unrestricted Funds	(1,584)	-	416	(1,046)	372	-	(1,842)
Total Unrestricted Funds - Charity and Group	3,980	686	1,476	(3,534)	2,592	-	5,199
Total Funds - Group	475,557	12,731	6,307	(28,767)	-	80,690	546,518

New money includes gains/(losses) arising from the revaluation of accrued, pledged donation income.

Significant transfers between funds include the allocation of income from endowment to the corresponding income fund, as per accounting policy 13 on Total Return Accounting. Of the transfers from endowment funds in the year, £15,033k (2020: £13,194k) relates to this allocation to income.

Scholarship costs are charged to the relevant restricted fund in the first instance, with any deficit in the year funded by transfers from unrestricted funds, amounting to £3,159k (2020: £196k) in the year. This treatment is now consistently applied, which represents a change in presentation from the prior year.

The Atlantic Scholarship Fund was re-classified by the Trustees as an endowment fund in the year, to better reflect the substance and intent of the original gift. The value transferred was £25,371k.

A comparative note for the prior year can be found in note 31.

23 FUNDS DETAILS

The following is a summary of the purposes of specific material funds

Endowment Funds - Permanent:	This fund has a corresponding income fund, which is accounted for within Restricted Funds.
Scholarship Endowment Fund	This fund was established in the Will of Cecil Rhodes to provide a scholarship programme at the University of Oxford, for the constituencies of the Commonwealth, Germany, Hong Kong, and the United States.
Endowment Funds - Expendable Public Purposes Fund	Each of these funds has a capital and a corresponding income fund, which is accounted for within Restricted Funds.
Public Purposes Fund	This fund has broader educational objectives than the Scholarship Fund, but with the same geographic restriction. In addition to supporting any scholarship costs not met by other funds, it bears the costs of Rhodes House, which it owns, and holds shares in the trading subsidiary, Rhodes House Ltd.
Second Century Founder Fund	This major endowment supports a large proportion of the Canadian, and other scholarships.
New Zealand Partnership Fund	This fund supports the costs of three New Zealand Rhodes Scholars per annum.
Oppenheimer South Africa Fund	This fund supports the costs of scholarships in South and Southern Africa.
RSA Second Century Founder MMF Fund	Funds that form part of the Second Century Founder Fund that are received via Australia are held in a separate fund in the Public Purposes Fund.
Banks Partnership Fund	This fund currently supports the costs of Rhodes Scholars from Bermuda or Florida, USA.
Atlantic (Rhodes Schol Prog) Fund	Grant funding by Atlantic Philanthropies in support of the general scholarship programme.
2nd Century Founder Compound Fund	This fund is invested in a ring-fenced portfolio designed to settle the bond liability that matures in 2048 (see note 12).
Various Partnership Funds	Various partnership agreements establish funds to support scholarships at specific colleges or geographic constituencies or grant funding for leadership programmes.
Horizon Fund	
Rhodes Scholarships for the UAE	A major endowment supporting scholarships for scholars from the United Arab Emirates.
Malaysia Capital Fund	This fund supports the Malaysian scholarship.
Said SJLP Capital Fund	This fund supports the Syria, Jordan, Lebanon and Palestine scholarships.
China Capital Fund	This fund supports the China scholarships.
West Africa Capital Fund	This fund supports the West African scholarships.
Alagil Saudi Arabia Capital Fund	This fund supports the Saudi Arabian scholarships.
Various Partnership Funds	Various partnership agreements establish funds to support scholarships at specific colleges or geographic constituencies.
Restricted Funds	
Atlantic Horizon (Institute) Fund	Grant funding received by Atlantic Philanthropies of the Atlantic Institute, included in the Horizon Fund.
Atlantic Building Fund	Funds received from Atlantic Philanthropies towards the funding of the Rhodes House development project.

24 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	2021 Total £'000s
2021				
Intangible fixed assets	165	-	-	165
Tangible fixed assets	-	-	31,371	31,371
Pooled endowment investments	-	12,165	402,476	414,641
Capital project investments	32,244	-	-	32,244
Atlantic short term investments	-	89,685	-	89,685
Net current assets	19,677	14,016	(8,394)	25,299
Long term liabilities and provisions	(46,887)	-	-	(46,887)
	<u>5,199</u>	<u>115,867</u>	<u>425,452</u>	<u>546,518</u>
	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	2020 Total £'000s
2020				
Intangible fixed assets	80	-	-	80
Tangible fixed assets	-	-	19,856	19,856
Pooled endowment investments	-	33,367	325,548	358,915
Capital project investments	37,605	-	-	37,605
Atlantic short term investments	-	80,284	-	80,284
Net current assets	12,182	13,796	(1,273)	24,705
Long term liabilities and provisions	(45,887)	-	-	(45,887)
	<u>3,980</u>	<u>127,447</u>	<u>344,130</u>	<u>475,557</u>

25 RELATED PARTY TRANSACTIONS

Including pledges accrued in the year, donations totalling £2,739k from trustees were recognised in income during the year ended 30 June 2021 (2020: £428k). Of these donations £113k were unrestricted and £2,626k were restricted as follows:

- £69k for Balliol College Scholarships
- £45k for Worcester College Scholarships
- £5k for Bermudan Scholarships
- £28k for 4th Year Scholars
- £2,479k for West African Scholarships

Payments amounting to £18k were made to the wife of the Chief Financial Officer who provides professional interior design consultancy services with respect to the supply of soft furnishings (2020: £3k).

There are no other related party transactions requiring disclosure. See Note 16 for the results of subsidiaries.

26 PENSION SCHEMES

The Trust participates in two principal pension schemes for its staff – the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of each scheme are held in separate trustee-administered funds. USS and OSPS are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis – based on length of service and pensionable salary – and on a defined contribution basis – based on contributions into the scheme). Both are multi-employer schemes and the Trust is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis.

Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the Trust accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period. In the event of the withdrawal of any of the participating employers in USS or OSPS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

The Trust has also made available the National Employment Savings Trust for employees who are eligible under automatic enrolment regulations to pension benefits but not eligible for either USS or OSPS.

Actuarial valuations

Qualified actuaries periodically value USS and OSPS defined benefits using the 'projected unit method', embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations, published prior to the balance sheet date, and the assumptions which have the most significant effect on the results were:

	USS	OSPS
Date of valuation:	31/03/2018	31/03/2019
Date valuation results published:	16/09/2019	19/06/2020
Value of liabilities:	£67.3bn	£848m
Value of assets:	£63.7bn	£735m
Funding surplus / (deficit):	(£3.6bn)	(£113m)
Principal assumptions:		
· Discount rate	CPI - 0.73% to CPI +2.52% a	Gilts +0.5%- 2.25% b
· Rate of increase in salaries	n/a	RPI
· Rate of increase in pensions	CPI c	Average RPI/CPI d
Assumed life expectancies on retirement at age 65:		
· Males currently aged 65	24.6 yrs	21.7 yrs
· Females currently aged 65	26.1 yrs	24.4 yrs
· Males currently aged 45	26.6 yrs	23.0 yrs
· Females currently aged 45	27.9 yrs	25.8 yrs
Funding Ratios:		
· Technical provisions basis	95%	87%
· Statutory Pension Protection Fund basis	76%	74%
· 'Buy-out' basis	56%	60%
Employer contribution rate (as % of pensionable salaries):	21.1% increasing to 23.7% on 01/10/21	19%
Effective date of next valuation:	31/03/2020	31/03/2022

- a. The discount rate (forward rates) for the USS valuation was:
- Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73%
 - Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21
 - Years 21 +: CPI + 1.55%
- b. The discount rate for the OSPS valuation was:
- Pre-retirement: Equal to the UK nominal gilt curve at the valuation date plus 2.25% p.a. at each term.
 - Post-retirement: Equal to the UK nominal gilt curve at the valuation date plus 0.5% p.a. at each term.
- c. Pensions increases (CPI) for the USS valuation were:
- Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
- d. Increases to pensions in payment for the OSPS valuation were:
- RPI inflation is derived from the geometric difference between the UK nominal gilt curve and the UK index-linked curve at the valuation date, less 0.3% p.a. at each term. CPI inflation is derived from the RPI inflation assumption, less the Scheme Actuary's best estimate of the long-term difference between RPI and CPI inflation as applies from time to time (1.0% p.a. as at 31 March 2019).
 - For pension increases linked to inflation, a pension increase curve is constructed based on either the RPI, CPI or the average of the RPI and CPI inflation curves described above, adjusted to allow for the different maximum and minimum annual increases that apply, and the Scheme Actuary's best estimate of inflation volatility as applies from time to time.
- e. The USS and OSPS employer contribution rates include provisions for the cost of future accrual of defined benefits, deficit contributions, administrative expenses and defined contributions.

Of the employer contributions to USS, 2% are deemed to be deficit contributions from 1 October 2019 to 30 September 2021, and 6% from 1 October 2021 to 31 March 2028.

Sensitivity of actuarial valuation assumptions

Surpluses or deficits which arise at future valuations may impact on the Trust's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

USS		
Assumption	Change in assumption	Impact on USS liabilities
Initial discount rate	increase by 0.1%	decrease by £1.2bn
Asset values	reduce by 10%	increase by £6.4bn
RPI – CPI spread	increase by 0.1%	decrease by £0.7bn
Rate of mortality	more prudent assumption (mortality rated down by a further year)	increase by £1.6bn

OSPS		
Assumption	Change in assumption	Impact on OSPS technical provisions
Valuation rate of interest	decrease by 0.25%	increase by £45m
RPI	increase by 0.25%	Increase by £40m

Deficit Recovery Plans

In line with FRS 102 paragraph 28.11A, the Trust has recognised a liability for the contributions payable for the agreed deficit funding plan. The principle assumptions used in these calculations are tabled below:

	2021		2020	
	USS	OSPS	USS	OSPS
Finish Date for Deficit Recovery Plan	31/03/2028	30/01/2028	31/03/2028	30/01/2028
Average staff number increase/(decrease)	0%	(20%) in year 1 (50%) in years 2&3	18% in year 1 no change thereafter	(20%) in year 1 no change thereafter
Average staff salary increase	2% per annum	2% per annum	2% per annum	2% per annum
Average discount rate over period	2.80%	2.80%	2.80%	2.80%
Effect of 0.5% change in discount rate	£35.9k	£0.8k	£35.3k	-
Effect of 1% change in staff growth	£19.0k	£0.1k	£15.1k	-

As shown in note 21, a provision of £2.0m has been made at 30 June 2021 (2020: £1.6m) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown. The provision is expected to reduce as the deficit is paid off according to the pension recovery scheme. The USS provision is based on the deficit recovery plan agreed for the March 2018 valuation, as the March 2020 valuation recovery plan had not been agreed at the balance sheet date. The March 2020 USS valuation and associated deficit recovery plan was announced in September 2021, and is subject to consultation. The plan involves a reduction in the contributions from those previously agreed in the March 2018 recovery plan.

A copy of the full actuarial valuation report and other further details on the USS scheme are available on the USS website www.uss.co.uk. Similar reports and details on the OSPS scheme are available on the University of Oxford website <http://www.admin.ox.ac.uk/finance/epp/pensions/schemes/osps/>.

Defined Contribution Pension Scheme

The group also operates a defined contribution staff pension scheme for its US employees. The assets of the scheme are held separately in independently administered funds. The pension costs charge represents contributions payable by the group to the funds and amounted to £22k (2020: £18k).

The Rhodes Trust
Notes to the financial statements
For the year ended 30 June 2021

Pension charge for the year

The pension charge recorded by the Trust during the accounting period (excluding pension finance costs) was equal to the contributions payable after allowance for the deficit recovery plan as follows:

Scheme	2021 £'000s	2020 £'000s
Universities Superannuation Scheme	800	586
University of Oxford Staff Pension Scheme	24	24
US Staff 401k Safe Harbour Plan	22	18
National Employment Savings Trust	12	4
Movement on the Pension scheme deficit contribution liabilities	350	(154)
Total	1,208	478

No pension contributions were payable at the balance sheet date (2020: NIL).

27 TAXATION

The Rhodes Trust is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the Trust's subsidiary company because the directors of this company have committed to make donations each year to the Trust equal to the taxable profits of the company under the Gift Aid scheme. The Trust is however subject to withholding tax by foreign authorities on income from certain of its foreign investments, which are received net of withholding tax. No provision for taxation has been included in the financial statements.

28 FINANCIAL INSTRUMENTS

Group	2021 £'000s	2020 £'000s
Financial assets measured at fair value	536,570	477,506
Charity	2021 £'000s	2020 £'000s
Financial assets measured at fair value	517,894	461,510

Financial assets measured at fair value comprise investment securities.

29 CAPITAL COMMITMENTS

Planning permission was obtained for the capital building project on the 11th August 2020. The Trustees have entered into a contract with building contractors giving rise to a capital commitment of £17.3m as at 30th June 2021 (2020: £nil).

30 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (RESTATED)

Consolidated	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowed Funds £'000s	2020 restated Total £'000s
INCOME AND ENDOWMENTS FROM:				
Donations and legacies	640	70,799	25,222	96,661
Charitable activities	1,239	5,107	-	6,347
Other trading activities	281	11	-	292
Investments				
Investment income	879	4	-	883
Total return allocated to income	4,893	8,301	(13,194)	-
Other (foreign exchange gain)	184	-	-	184
Total income	8,116	84,223	12,028	104,367
EXPENDITURE ON:				
Charitable activities:				
Promotion and advancement of education	6,499	18,643	-	25,142
Raising funds:				
Fundraising	1,002	431	-	1,433
Trading expenditure	197	23	-	220
Finance costs	793	-	-	793
Investment management costs	-	208	1,043	1,252
Total Expenditure	8,491	19,305	1,043	28,840
Net Income/(Expenditure) before gains	(375)	64,917	10,984	75,527
Net gains/(losses) on investments	-	7,954	15,871	23,825
Net Income/(Expenditure)	(375)	72,872	26,856	99,353
Transfers between funds	(16)	587	(571)	-
Net movement in funds for the year	(391)	73,458	26,285	99,353
Fund balances brought forward as previously stated	4,370	53,989	317,846	376,205
Funds carried forward at 30 June 2020	3,980	127,447	344,130	475,557

The Rhodes Trust
Notes to the financial statements
For the year ended 30 June 2021

31 COMPARATIVE ANALYSIS OF MOVEMENTS ON FUNDS (RESTATED)

	At 1 July 2019 £'000s	New Money £'000s	Investment & Operating Income £'000s	Resources expended £'000s	Transfers £'000s	Gains/ (losses) £'000s	At 30 June 2020 restated £'000s
Endowment Funds - Permanent							
Scholarship Endowment Fund	47,500	-	1,834	(158)	(2,095)	580	47,661
Total Permanent Endowment	47,500	-	1,834	(158)	(2,095)	580	47,661
Endowment Funds - Expendable							
Public Purposes Fund							
Public Purposes Capital Fund	113,910	19,335	4,661	(400)	(5,053)	945	133,397
Second Century Founder Capital Fund (MMF)	34,265	-	1,323	(114)	(1,511)	418	34,382
New Zealand Partnership Capital Fund	9,761	-	377	(32)	(431)	119	9,794
Oppenheimer South Africa Capital Fund	7,830	128	184	(16)	(210)	58	7,975
RSA Second Century Founder MMF Capital Fund	14,233	0	549	(47)	(961)	90	13,863
Banks Partnership Capital Fund	5,830	26	197	(17)	(226)	62	5,873
Various Partnership Funds	24,967	142	718	(62)	(840)	518	25,444
Subtotal	210,796	19,632	8,009	(688)	(9,232)	2,210	230,727
Horizon Fund							
Rhodes Scholarships for UAE	11,521	-	445	(38)	(508)	141	11,560
Malaysia Capital Fund	5,352	-	168	(14)	(181)	36	5,361
Said SJLP Capital Fund	5,782	-	185	(16)	(211)	58	5,798
China Capital Fund	7,653	4,462	330	(39)	(372)	502	12,536
Various Partnership Funds	13,499	800	444	(38)	(491)	118	14,332
Subtotal	43,806	5,262	1,572	(146)	(1,763)	856	49,588
Total Endowment Funds - Charity	302,102	24,893	11,415	(991)	(13,089)	3,646	327,976
	At 1 July 2019 £'000s	New Money £'000s	Investment & Operating Income £'000s	Resources expended £'000s	Transfers £'000s	Gains/ (losses) £'000s	At 30 June 2020 £'000s
Rhodes Scholarships in Australia PTY Ltd							
Australia Capital Fund	10,325	-	399	(34)	(455)	126	10,360
Queensland Capital Fund	2,945	13	105	(9)	(120)	33	2,967
	13,269	13	504	(43)	(575)	159	13,326
Rhodes Scholarships in Canada							
Canadian Endowment Capital Fund	451	6	18	(2)	(20)	5	458
Canadian Israel Fund	1,491	311	62	(6)	(58)	36	1,837
Canadian Second Century Founder Fund	384	-	15	(1)	(17)	5	385
Genereux CSLP Capital Fund	148	(1)	6	(0)	(6)	1	147
	2,474	316	100	(9)	(100)	47	2,828
Total Expendable Endowment	270,346	25,222	10,185	(886)	(11,670)	3,272	296,469
Reclassification (see note 4)	-	-	(12,019)	-	-	12,019	-
Total Endowment Funds - Group	317,846	25,222	(0)	(1,043)	(13,765)	15,871	344,130
Restricted Funds							
Scholarship Fund							
Scholarship Endowment Income Fund	-	-	-	(2,095)	2,095	-	-
Public Purposes Fund							
Atlantic (Rhodes Schol Prog) Fund	23,170	-	884	(1,622)	-	272	22,704
Atlantic Building Fund	10,600	-	-	-	-	-	10,600
Various Partnership Income Funds	452	500	454	(4,871)	4,343	-	878
Subtotal	34,222	500	1,338	(6,492)	4,343	272	34,182
Horizon Fund							
Atlantic Horizon (Institute) Fund	17,660	69,706	410	(3,722)	-	6,388	90,443
Various Partnership Income Funds	2,019	436	4,653	(6,295)	1,763	-	2,575
Subtotal	19,679	70,142	5,064	(10,017)	1,763	6,388	93,018
Total Restricted Funds - Charity	53,901	70,641	6,402	(18,604)	8,200	6,660	127,200
Rhodes Scholarships in Australia PTY Ltd							
Australia Income Fund	(168)	71	1	(257)	455	-	102
Queensland Income Fund	-	-	-	(120)	120	-	-
	(168)	71	1	(377)	575	-	102
Rhodes Scholarships in New Zealand Ltd							
New Zealand Funds	57	1	2	(1)	-	-	59
Rhodes Scholarships in Canada							
Canadian Income Fund (Annual Fund)	155	86	12	(231)	20	-	42
Canadian Israel Fund	44	-	-	(69)	69	-	44
Canadian Second Century Founder Fund	-	-	-	(17)	17	-	-
Genereux CSLP Income Fund	-	-	-	(6)	6	-	-
	199	86	12	(323)	112	-	86
Reclassification (see note 4)	-	-	(1,294)	-	-	1,294	-
Total Restricted Funds - Group	53,989	70,799	5,122	(19,305)	8,888	7,954	127,447

The Rhodes Trust
Notes to the financial statements
For the year ended 30 June 2021

	At 1 July 2019 £'000s	New Money £'000s	Investment & Operating Income £'000s	Resources expended £'000s	Transfers £'000s	Gains/ (losses) £'000s	At 30 June 2020 £'000s
Unrestricted Funds							
Public Purposes Fund							
PPF Income Fund	5,850	640	1,371	(7,174)	4,877	-	5,564
Horizon Fund Unrestricted Funds	(1,480)	-	419	(523)	-	-	(1,584)
Total Unrestricted Funds - Charity and Group	4,370	640	1,790	(7,698)	4,877	-	3,980
Total Funds - Group	376,205	96,661	6,912	(28,047)	-	23,825	475,557

A summary of the purposes of specific material funds is found in note 23.

32 ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 2020 £'000s	Cashflows £'000s	Other non-cash changes £'000s	At 30 June 2021 £'000s
2021				
Cash in hand	16,060	(11,946)	-	4,114
Short-term investments, readily convertible to cash	-	9,184	-	9,184
Loans falling due after more than one year	(30,000)	-	-	(30,000)
Total	(13,940)	(2,762)	-	(16,702)
2020				
Cash in hand	14,551	1,509	-	16,060
Loans falling due after more than one year	(30,000)	-	-	(30,000)
Total	(15,449)	1,509	-	(13,940)